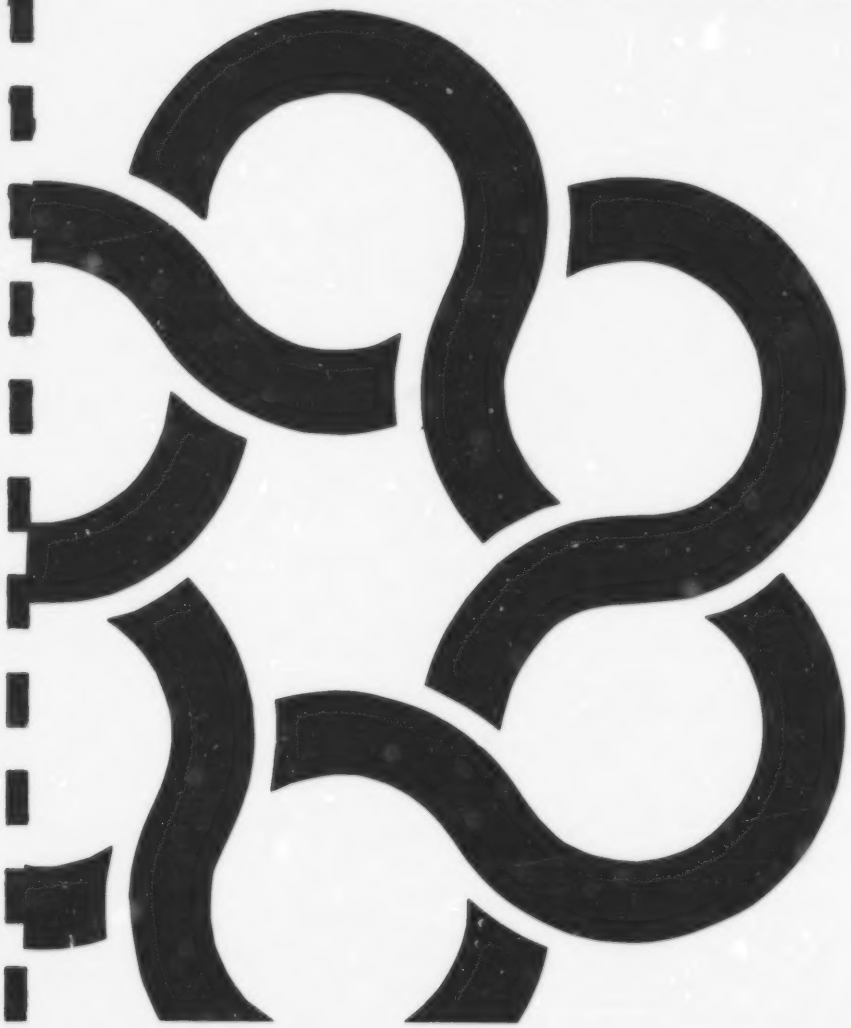
HOUSING INTENSIFICATION

POLICY REPORT No. 2 1989



METROPOLITAN PLAN REVIEW

The Municipality of Metropolitan Toronto

Metropolitan Plan Review

Policy Report No. 2

HOUSING INTENSIFICATION

A policy report in the review of
"The Official Plan For The Urban Structure: Metropolitan Toronto"

**Prepared by the Policy Development Division of
Metropolitan Toronto Planning Department**

90-05715/

INFORMATION TO THE READER

This report is prepared as a policy document in the general area of "housing" as part of the Metropolitan Plan Review. Two previous reports were published as Background reports to this document entitled "Housing Trends: 1976 - 1986" and "Housing Intensification". Public comments to the Background Reports were considered in the formulation of this policy report.

The next step in the planning process will be to prepare amendments to the Metropolitan Official Plan for adoption by Metropolitan Council which reflect the policies and recommendations of this report. Your comments or those of your organization or community group are welcome on the content and recommendations of this report.

Comments and inquiries should be sent to:

Metropolitan Planning Department
Policy Development Division
East Tower, 11th Floor
City Hall
Toronto, Ontario
M5H 2N1

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The "Metropolitan Plan Review" is a program to review the Official Plan For The Urban Structure: Metropolitan Toronto. The program was adopted by Metropolitan Council in March of 1986. Further information regarding the Review may be obtained from the Metropolitan Planning Department at the above address.

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1.0 INTRODUCTION

1.1 Metropolitan Plan Review Program

In 1980 the Council of the Municipality of Metropolitan Toronto adopted an Official Plan entitled "The Official Plan for the Urban Structure: Metropolitan Toronto". The Metropolitan Plan Review Program was adopted by Council on March 5, 1986 in accordance with the Planning Act provision for periodic review of the Official Plan. Phase One of the Metropolitan Plan Review process for housing and residential development was completed in 1987 with the publication of two background reports:

- Report No. 3: Housing Trends 1976 - 1986; and
- Report No. 4: Housing Intensification.

This policy report is the culmination of Phase Two of this housing review process. Phase Three will involve the adoption of the amendments to the Official Plan. Phase Four involves the consolidation of all of the approved amendments into the revised Metro Official Plan.

1.2 Existing Official Plan Policies

Overall the current Official Plan policies are comprehensive, covering a wide range of housing matters and describing the role and responsibilities of Metropolitan Toronto in the achievement of the Plan's housing objectives. However, the Plan assumes that the most direct contributions and responsibilities for various aspects of the housing market, lie within the jurisdictions of the private sector, senior levels of government and area municipalities. Of these groups, considerable emphasis is placed upon the role of the area municiplaities to implement many of the policies of the Plan. In this way, Metropolitan Toronto has restricted its role and activities in housing matters and has become dependent upon the actions of others for achieving many of the housing objectives of the Plan.

Two elements of the housing policy are specific in relation to Council intent. In 1980 a policy to permit group homes as-of-right in all residential neighbourhoods was adopted by Council. The policy was amended after a series of public

meetings and adopted as Amendment No. 3. In 1984, the Amendment was approved with modification by the Ontario Municipal Board. The Plan also contains a Fair Share Policy which is based upon the principle that each municipality should accept its' share of responsibility for providing facilities that benefit all Metro residents. To help implement the concept, Council adopted targets for assisted housing in 1984. Originally adopted to encourage equitable distribution of low-income housing, the concept of Fair Share remains an important planning principle today.

Metropolitan Toronto is involved in the development, construction and management of housing for low and moderate income households through the activities of the Metropolitan Toronto Housing Development Corporation and the Metropolitan Toronto Housing Company Ltd. The housing portfolio comprises approximately 18,000 units in senior, single persons and family housing projects. In addition the Housing Company maintains a housing registry for seniors.

The Community Services Department provides hostel accommodations for emergency use and operates several homes for the aged facilities for elderly Metropolitan residents.

The current Official Plan Policies relating to housing are attached as Appendix A.

1.3 Purpose of Report

The purpose of this report is to propose a policy direction in housing matters, amendments to the Official Plan as well as developing a series of programs to assist in policy implementation. The policy development process consists of the following components:

1. review and summary of the directions and recommendations of the Background reports;

2. review and evaluation of the consultation phase including responses to the background reports and accompanying open houses; and assess the impact of recent Provincial and Metropolitan initiatives in housing;

3. identification of those housing issues that Metropolitan Toronto should address as a challenge from the perspective of:

   - revisions to the Official Plan,
   - Metropolitan action,
   - joint activities with the area municipalities, and
   - discussions with the Province and Federal Government;

4. discussion of the policy options available to Metropolitan Toronto in reviewing its approach to housing, and likely implications; and

5. identification of the key housing program activities to be undertaken to assist in the implementation of Metropolitan housing policies.

The most important function of this report is to clearly outline the policy objectives of the Municipality of Metropolitan Toronto with regard to housing intensification matters and to present planning rationale for the direction or policy stance chosen. Housing Intensification refers to the more efficient use of land and the existing housing stock to increase the number of housing units within a community through the processes of infill, conversion, subdivision and redevelopment. Definitions of these processes and other important terms used in this report are included in Appendix B. It should be noted that the term "housing intensification" instead of "residential intensification" is most commonly used throughout this report. This is done primarily to simplify the discussion although it should be noted that "housing intensification" generally refers to increasing the capacity of an individual house or dwelling unit to accomodate a greater number of units within, while "residential intensification" commonly refers to the processes whereby residential land uses are introduced and/or increased within a community.

2.0 HOUSING BACKGROUND REPORTS: DIRECTIONS AND RECOMMENDATIONS

2.1 Issues in the Metropolitan Housing Market

2.1.1 Production and Demographics

Over the next 20 years the population of the Region is expected to reach more than 5 million. Previous projections suggested that Metro's population would remain relatively stable over that time but that jobs within the municipality would decline. Based on this scenario Metropolitan Toronto faces: an aging population and decline of the resident work force; increase under-utilization of existing housing stock and services; declining neighbourhood population; and increase in-commuting accompanied by pressure on the transportation system.

ISSUE: To provide a more balanced population of 2.5 million Metro must produce an additional 300,000 units within the same time period. More efficient use of land and existing housing stock is required in order to accomplish this task.

2.1.2 Affordability

The high cost of home ownership makes entry into the market difficult for first time buyers. Coupled with this is a low rate of rental housing construction which places upward pressure on the rental market, despite rent controls. These trends have resulted in a shortage of housing for low and moderate income households within Metropolitan Toronto.

ISSUE: More effective solutions are required to increase the supply of affordable housing. In the case of ownership housing this may require the acceptance of increased density. The provision of rental housing suggests the need for more effective solutions to increase supply.

2.1.3 Metro in the Region

Metropolitan Toronto is part of an expanding housing market in the surrounding regions. Decisions made beyond the Metro borders significantly effects housing response and problems here.

A strategy to intensify housing within Metro in order to make more efficent use of existing infrastructure must be balanced by a complementary strategy in neighbouring regions. Similarly affordability, particularly in the provision of low and moderate rental units, is a requirement of workers in the surrounding regions, as much as it is within Metropolitan Toronto.

ISSUE: Effective solutions to present housing problems, as well as the efficient use of infrastructure dollars, require that Metropolitan Toronto and the regions of Peel, Halton, York and Durham which constitute the Toronto Region, jointly develop a housing strategy.

2.2 The Background Reports: Conclusion and Proposals

2.2.1 Housing Trends: 1976 - 1986

This report was intended to identify issues affecting the production and affordability of housing in Metropolitan Toronto and review existing Metropolitan housing policy. Proposals to address future needs included suggestions for amendment to the Official Plan and for actions by other levels of government.

The core recommendations of the report dealt with the provision of affordable rental housing. A review of incentive programs to the private rental market which were funded by senior levels of government suggested they have not been effective in provided affordable rental units on a long term basis. Either a more effective formula should be developed for the private market or alternatively, funds from senior levels of government should be diverted to the provision of mixed income social housing. Specific proposals were also made to increase the supply of social housing. These included:

- that Metro and the area municipalities co-operate to identify sites for social housing in order that Fair Share targets can be achieved, and that this be reflected in Official Plan policy;

- that area municipal by-laws reflect the requirements of social housing for singles by permitting floor space index controls (rather than only units per hectare controls which encourages large units), reducing minimum unit size and lowering parking requirements; and

- that the Official Plan recognize that social housing provision is no longer restricted to families and seniors but extends also to singles. This reflects the broadening of housing programs from solely rent-geared-to-income housing to include mixed income developments.

In order to permit staff to advise Council of emerging housing issues, on-going monitoring was recommended as well as a five year review of the housing market.

Underlying all the issues examined was the realization that Metropolitan policy can only be implemented within a broader regional strategy. The report suggested that the provincial government, in consultation with the Municipalities of Peel, York, Durham and Halton, be requested to take the initiative in establishing housing strategies for the Toronto Region, particularly in respect to the provision of private rental and social housing.

In responding to the proposed provincial housing statement Metropolitan Council re-iterated the need for development of a regional housing strategy. The establishment of the Greater Toronto Co-ordinating Committee has provided a vehicle through which this could be accomplished.

2.2.2 The Housing Intensification Report

This second housing report examined means by which a significant increase in housing units could be achieved despite the shortage of vacant residential land. The report looked at subdivision of vacant land, infill within existing residential areas, conversion (the provision of accessory apartments within existing stock), and redevelopment. Recommendations of this report were fairly detailed and are summarized below. The definitions adopted for each of these development activities is attached as Appendix B.

Specific density criteria for subdivision of vacant land was not proposed, provided subdivision densities, which have increased over recent years, are maintained. This recommendation was based on the need for a continuing supply of ground-related units, as well as the overall community housing mix being provided.

Infill has the advantage of increasing the supply of units within neighborhoods while maintaining the existing scale of development. By its nature it tends to require site-specific development criteria. The report requested that area municipalities recognize infill within their official plans as a desirable housing form and develop general criteria to ensure neighbourhood "fit": a criterion dependent primarily on the mass, height and setback of a development. Metropolitan Toronto could assist the process by facilitating an exchange of ideas concerning general development standards with area municipalities.

The concept of Conversion (the provision of accessory apartments within existing housing), has received considerable attention in the daily press. The original report contained the results of lengthy research by staff into factors inhibiting this form of intensification. In addition staff visited and photographed the external appearance of units identified as containing accessory units. Our conclusion was that two factors are crucial in achieving integration within the neighborhood: alterations to accommodate additional units should ensure that the front facade remains in character with existing units along the street; and that adequate parking is provided for the additional units.

There are many advantages to the provision of accessory units. Apart from restoring neighbourhood populations closer to their original planned levels, they allow provision of a range of rental accommodations in already serviced communities, provide increased income for mortgage payment or to assist retired homeowners, allow separate accommodation for adult children unable to compete in the housing market, and allow the flexible use of housing space for homeowners whose needs may change over time.

The report recommended that the Metropolitan Official Plan support the concept of conversion while allowing area municipal bylaws to tailor the criteria to local

needs. Co-operation between Metro and the area municipalities was propos in respect to assisting and informing the public about the creation of accessory units.

Financial incentives were also proposed:

- Provincial assistance to municipalities to undertake the surveys and public participation required for bylaw amendment;

- grants or loans from senior levels of government to assist homeowners wishing to provide accessory units;

- tax relief on rental income where an additional unit is provided in an owner-occupied dwelling.

It was also suggested that the Landlord and Tenant Act be reviewed to determine whether certain provisions could be softened in relation to small, owner-occupied properties.

The majority of new units within Metropolitan Toronto will be achieved through Redevelopment. The report suggested that higher density residential and mixed use development should be encouraged:

- in obsolete commercial and industrial areas;

- along Metropolitan arterial roads;

- on underdeveloped lands within mixed use modes and Metropolitan Centres; and

- on sites within 650 to 750 metres of rapid transit stations.

Specific development criteria remained the responsibility of area municipalities, although in order to encourage a range of unit sizes, incorporation of both floor space index and unit per hectare density controls into zoning bylaws was proposed.

Consideration of Metropolitan housing objectives was suggested as a criteria in disposing of Metro-owned lands. This proposal has been adopted by Council and will be implemented through the Land Management Committee.

2.3 Conclusions

The background reports on housing suggest that Metro must enunciate its housing objectives more clearly. Implementation, however, depends on a co-operative effort with area municipalities, the surrounding regional municipalities as well as the two senior levels of government.

The following chapters will examine responses to the staff recommendations as well as approaches and programs to assist in implementation.

3.0 CONSIDERATIONS IN RELATION TO THE ORIGINAL RECOMMENDATIONS

Since publication of the background reports, comments have been requested from area municipalities, the general public and interest groups. In addition, the Province has circulated its proposed Policy Statement on Housing, and the Economic Development and Planning Committee has reconfirmed its target population of 2.5 million residents by 2011.

3.1 The Consultation Process

3.1.1 Consultation Procedures and Events

Upon completion and circulation of the "Housing Trends 1976-1986" and "Housing Intensification" reports in September of 1987, requests for comments were sent to the local municipalities, interest groups and members of the public who expressed interest in housing issues. The circulation listing for the Background reports is included in Appendix C. In addition, planning staff responded to public requests for further information.

The first public open house was held at the Metropolitan Toronto Reference Library from November 16 to November 18, 1987, to display the findings of the background reports. In addition, a video produced by the Metro Community Services Department on the problems of homelessness entitled "No Place Like Home" was shown at frequent intervals and Planning Department staff were on hand to answer public enquiries. Invitations were included in the initial report circulation and further publicity was provided through newspaper advertisements and radio announcements. During the two and a half day long presentation, 83 people signed the guest book.

In a report to the Economic Development and Planning Committee, on November 24, 1987, it was recommended that additional open houses be arranged in each area municipality in mid-January. These were held during the week of January 18, 1988 in the area municipalities.

3.1.2 Attendance at Open Houses

Generally, the comments received at the open houses were supportive of the recommendations presented in each of the Background reports. Many people requested to be further informed about the potential for housing intensification in their neighbourhood, through public meetings, workshops and professional advice. Concern was expressed on the validity of a statement displayed on a panel that community concerns regarding a decline in property values, and neighbourhood deterioration as a result of intensification were more preceived than real.

The following table lists the location of each house and the number of visitors who signed the guest book.

Table 1:

OPEN HOUSE ATTENDANCE

Date	Location	Number of Persons in Register
November 16, 17, 18/87	Metropolitan Toronto Reference Library	83
January 18/88	Borough of East York	7
January 19/88	City of Etobicoke	19
January 20/88	City of North York	12
January 21/88	City of Toronto	29
January 25/88	City of York	6
January 26/88	City of Scarborough	22

Overall the open houses held in the area municipalities were not well attended. There are several factors such as choice of location, timing or insufficient local advertising which may have contributed to the low attendance levels. For example, people may have difficulty relating their everyday experiences and concerns on an issue discussed at a broad policy level, in the context of an official plan review.

In the future, Metropolitan Toronto should strive to improve its communication strategy to make its reports and recommendations more accessible and therefore relevant to its intended audience. A certain similarity of response was noted among the comments received. Many groups cautioned that while they support the concept and many of the shelter objectives of housing intensification, implementation of such a strategy should be done selectively, with regard for community concerns, and the long term integrity of the local neighbourhoods.

3.1.3 Response to Background Reports

Comments were received from 13 ratepayer and interest groups, the area municipalities and private citizens.

Those agencies and citizens who responded indicated varying concerns and suggested additional recommendations for further consideration. These are summarized on Table 2 within this section. Appendix D describes the specific comments of each area municipal Council including additions, deletions, and amendments to the recommendations of the background reports. A summary of responses of each of the area municipalities is presented below:

BOROUGH OF EAST YORK

Council adopted the report of the Planning Commissioner which provides an overview of the municipal activities in and approaches towards housing intensification but did not respond specifically to each recommendation in the Background reports. Regarding subdivision and infill, the report states that East York has little potential to create housing through these methods due to the built-up nature of the municipality, the absence of suitable vacant sites and public concerns.

OVERVIEW OF COMMENTS TO RECOMMENDATIONS OF BACKGROUND REPORTS

RECOMMENDATIONS	A North Rosedale Ratepayers' Association	B O'Connor Hills Ratepayers' Association	C Parkdale Village Ratepayers' Association	D Riverdale Co-operative Houses	E Women Plan Toronto	F Affordable Housing Action Group	G Catholic Children's Aid Society	H Family Services Association of Metro Toronto	I Centre For Urban and Community Studies	J The Board of Trade of Metro Toronto	K City of Etobicoke	L City of North York	M Borough of East York	N City of Toronto
HOUSING TRENDS 1976-1986														
1. The senior levels of government undertake an assessment of the effectiveness in Metropolitan Toronto of the various incentive programs for rental housing production in order to determine an effective formula for such programs in Metropolitan Toronto. As an alternative, funds from senior levels of government should be directed in Metropolitan Toronto to the provision of mixed income social housing.	□	○	□	○	○	○	□	○	○	○	○	○	□	○
2. The Official Plan requirement to produce an Annual Housing Report (Section 7.C) should be amended to provide for (a) on-going monitoring of the housing market and reporting from time to time of related emerging issues, and (b) a review of the housing market to be undertaken every five years (and in relation to the census).	□	○	□	□	○	□	□	○	□	○	○	○	□	○
3. Metro Toronto and the area municipalities co-operate in identifying sites for social housing in order that fair share targets can be achieved, and this be referenced as an implementation policy in the Official Plan.	□	○	□	□	○	○	□	○	○	○	○	○	□	○
4. Section 7 of the Official Plan be amended to recognize: - the separate senior / non- senior social housing targets adopted by Council; - Metro's role in the provision of affordable housing for low-in come singles.	□	○	□	□	○	□	□	○	□	○	△	○	□	○
5. Area municipal by-laws include provisions which respond to the requirements of singles housing (floor space index controls, small unit size, lowered parking requirements.)	□	○	△	□	○	○	□	○	○	○	●	△	□	○
6. Consideration be given to revision downward of the Official Plan population target from 2.5 to 2.3 million by the year 2011.	□	○	□	□	○	□	□	○	△	○	○	○	□	○
7. The Provincial Government take the initiative of establishing housing strategies for the Toronto Region housing market, particularly in respect to the accommodation of private rental and social housing units, such strategies to be developed in consultation with Metropolitan Toronto and the Regional Municipalities of Peel, York, Durham and Halton.	□	○	○	○	○	○	□	○	○	○	○	△	□	△
HOUSING INTENSIFICATION														
1. The Metropolitan Official Plan be amended both to indicate support to "conversion" as a technique to obtain more housing, and also to encourage area municipalities to amend their official plans to include criteria in accordance with which conversions would be permitted, possibly on a neighbourhood rather than a municipality-wide basis.	●	△	△	△	○	△	●	○	▲	○	○	○	○	○
2. Area municipalities should review their zoning by-laws to establish a "converted dwelling unit" category, and subsequently amend the by-laws to permit conversion in certain areas where this may be suitable. Converted units should not be subject to more stringent controls in regard to age of building, setbacks, design considerations, etc; than apply to single family housing. However, the policy and by-law could specify size, number of units to permitted in a dwelling,and parking requirements.	□	○	□	○	○	△	●	○	□	○	□	○	○	○

HOUSING INTENSIFICATION	A	B	C	D	E	F	G	H	I	J	K	L	M	N
3. The Ministry of Municipal Affairs should provide incentives to municipalities to revise their zoning by-laws. These could include financial assistance to permit the necessary surveys and public meetings to be undertaken and per unit grants for units created under the new by-laws. Development by the Ministry of Housing of model by-laws based on typical older neighbourhoods and post-war suburbs might be useful to municipalities.	□	○	□	△	○	□	□	○	□	○	○	○	○	○
4. Financial incentives in the form of loan insurance or forgiveable grants should be offered by the Province to homeowners who provide additional units which remain in the rental market for a specified time period.	□	○	□	□	○	△	□	○	□	○	○	▲	▲	○
5. Metropolitan Toronto in co-operation with area municipalities should initiate measures to consider the implications, problems and potential of conversion in various communities. This could include: - a series of community based information and educational open houses to address some of the concerns associated wirh conversion; - preparation of printed information kits for individuals who may be interested in obtaining municipal approval for a converted unit; such kits to describe the procedures for submitting an application and also setting out applicable municipal standards.	□	○	○	□	○	□	○	○	□	○	○	○	○	○
6. The Landlord and Tenant Act should be reviewed to determine whether certain provisions which are particularly onerous when applied to rental units in small owner occupied properties could be softened. Metropolitan Council should approach the of Ministry Housing in this regard.	□	○	●	□	○	●	●	○	□	○	○	▲	●	●
7. The Federal government should be requested to provide appropriate relief from income tax on rental income where an additional unit has been created in an owner-occupied dwelling.	□	○	□	□	○	●	□	○	□	○	○	▲	●	○
8. Area municipalites take the following initiatives: (1) incorporate policies governing infill development into the Official Plan; (2) examine by-law standards and make provision for reduced lot frontages on a municipal or neighbourhood basis where infill is involved; (3) ensure that infill, when it occurs, achieves a suitable neighbourhood "fit" - a criterion dependent primarily on the mass, height and overall setback of a development.	□	○	□	□	○	△	□	○	□	○	□	○	○	○
9. Metropolitan Toronto should assist in promoting infill development by facilitating the exchange of ideas on the opportunity and importance of this process with area municipalities.	□	○	□	□	○	□	□	○	○	○	○	○	□	○
10. The Metropolitan Plan should set out general criteria, indicating those types of areas most desirable for residential redevelopment from the Metropolitan perspective, including: - obsolete commercial and industrial areas; - low density areas along Metropolitan arterial roads; - underdeveloped lands within mixed use nodes and centres; and - sites within 650 metres to 750 metres of rapid transit stations. Application of the criteria would be subject to area municipal determination of the appropriateness of such redevelopment in specific areas.	□	○	○	○	○	△	□	○	○	○	○	○	○	○
11. To implement above item (10) , area municipal official plans should set out specific criteria under which redevelopment for residential use would be supported in principle, and zoning by-laws should be amended to provide for the redevelopment of	□	○	○	○	○	□	□	○	○	○	○	△	○	○

HOUSING INTENSIFICATION

specific areas which meet those official plan crite control by-laws should adequately address the re development conditions of municipalities.

12. The attainment of Metropolitan housing objective considered when the disposal of Metro-owned la proposed.

13. Where feasible, conversion and rehabilitation of buildings for residential use should be encourage

14. Area municipal plans should provide for mixed u development, particularly along arterial roads and Metropolitan and local centres.

15. Both floor space index and unit per hectare densi should be incorporated into the zoning by-laws i encourage development of smaller rental units wh precluding the larger units sought by the luxury o condominium markets.

A Concern about proposals to rapidly increase housing units by such means as subdivision, c and redevelopment.

B The executive committee supports the actions re in the two reports, particularly those measur facilitate the conversion of existing dwellings o owner occupying the major part of the dwelling.

C Inherent to all plans developed must be the not live in the neighbourhoods under review. S housing problem should not be the cause of such as social problems, which are equally as ser

D Procedures be reviewed in order to more quickl process applications made by housing co-oper Metro Toronto officially endorse the growth of no co-ops in working with Provincial and Federal Gov

E Strongly supports recommendations and provid for emergency relief measures while encoura housing and improvements to social services design.

F Proposed strengthening many of the recommend regard to mixed income non-profit housing and a and family housing.

G Support the report in principle, and request that h poor and the need for education regarding intensi addressed.

ENTS						HOUSING INTENSIFICATION	RESPONDENTS													
	I	J	K	L	M	N		A	B	C	D	E	F	G	H	I	J	K	L	M	N
							specific areas which meet those official plan criteria. Site plan control by-laws should adequately address the remaining development conditions of municipalities.														
	□	○	○	○	○	○	12. The attainment of Metropolitan housing objectives should be considered when the disposal of Metro-owned lands is proposed.	□	○	□	□	○	○	□	○	○	○	○	○	□	○
	□	○	○	▲	▲	○	13. Where feasible, conversion and rehabilitation of non-residential buildings for residential use should be encouraged.	□	○	○	○	○	□	□	○	○	○	○	○	△	○
							14. Area municipal plans should provide for mixed use development, particularly along arterial roads and in Metropolitan and local centres.	□	○	□	□	○	□	□	○	○	○	○	○	○	○
	□	○	○	○	○	○	15. Both floor space index and unit per hectare density controls should be incorporated into the zoning by-laws in order to encourage development of smaller rental units without precluding the larger units sought by the luxury or condominium markets.	□	○	●	□	○	○	□	○	□	○	○	□	○	○
	□	○	○	▲	●	●															
	□	○	○	▲	●	○															
	□	○	□	○	○	○															
	○	○	○	○	□	○															
	○	○	○	○	○	○															
	○	○	○	△	○	○															

COMMENTS

A Concern about proposals to rapidly increase the number of housing units by such means as subdivision, conversion, infill, and redevelopment.

B The executive committee supports the actions recommended in the two reports, particularly those measures intended to facilitate the conversion of existing dwellings conditional on the owner occupying the major part of the dwelling.

C Inherent to all plans developed must be the notion that people live in the neighbourhoods under review. Solutions to the housing problem should not be the cause of other problems, such as social problems, which are equally as serious.

D Procedures be reviewed in order to more quickly and efficiently process applications made by housing co-operatives and that Metro Toronto officially endorse the growth of non-profit housing co-ops in working with Provincial and Federal Governments.

E Strongly supports recommendations and provides suggestions for emergency relief measures while encouraging affordable housing and improvements to social services and community design.

F Proposed strengthening many of the recommendations with regard to mixed income non-profit housing and affordable rental and family housing.

G Support the report in principle, and request that housing for the poor and the need for education regarding intensification to be addressed.

H Expressed support of recommendations however would oppose an intensification program which is insensitive to existing neighbourhoods.

I More emphasis needed on redevelopment and decentralization, housing opportunities outside Metro Toronto. Generally supportive of recommendations.

J Strongly support recommendations and suggest an aggressive public education program to win public support.

K Housing studies may provide further recommendations or comments. Support recommendations.

L Overall support of recommendations and suggested further points to consider.

M Expressed support , however, concerned with lack of municipal ability to regulate zoning by-law infractions.

N General support of recommendations and suggest that municipalities establish affordable housing targets within their Official Plans in order to meet the mixed housing needs.

LEGEND

○ Agree

△ Agree with reservations

● Disagree

▲ Disagree with reservations

□ No comment

The report states that East York does not support the conversion of buildings in industrial areas for residential uses although it is viewed as appropriate in residential and mixed use areas. Limited potential is also seen for conversion of non-residential buildings in residential areas since few exist in residentially-zoned areas. The report does not assess the potential to create additional housing through inclusion of accessory apartments in single family dwellings but does comment that contraventions of the by-law prohibiting duplexing and basement apartments are very common in East York. The report emphasizes that local municipalities must have the option to select and approve areas appropriate for conversion based upon local studies of the need and demand and develop local zoning/official plan criteria with full public consultation. The municipality felt that an effective public information campaign will be necessary for successful achievement of Metro's housing objectives.

In regards to redevelopment, East York commented that the majority of new housing that has been built in the Borough has been created through redevelopment primarily for seniors housing. Some potential may be achieved through a review of the possibility of permitting townhouses as a form of redevelopment. The report does not favour the practice of prezoning sites for higher densities because it is felt that neighbourhood instability and deterioration will result from speculation and the uncertainty as to the timing of redevelopment.

CITY OF ETOBICOKE

Council gave tentative support to the majority of the Background reports recommendations pending conclusion of its Municipal Housing Statement report and the Official Plan Update to be completed in the near future. Any further comments or recommendations arising from these studies will be forwarded to Metropolitan Toronto Council for review. The recommendations which did not receive support at this time were primarily related to the issues of municipal standards for infill and conversion and the appropriateness of prezoning for higher density housing.

CITY OF NORTH YORK

Council indicated that the findings and recommendations of the Background reports were in general support of the aims and objectives of North York. The response provides an overview of the various issues raised in the Background reports and analyzes the implications of the recommendations from both the perspective of the City of North York as well as from a broad policy basis. Several recommendations were made suggesting modifications to existing recommendations in the Background reports, and suggestions for additional areas of analysis and consideration by Metro.

The issue of sewage capacity was identified as a potential obstacle which, if found to be inadequate, could potentially jepordize the entire strategy or alternatively require much higher population levels than originally targetted to make upgrading of the sewage system economically feasible. The report observes that the North York Official Plan appears to implement many of the redevelopment objectives identified by Metro through tneir ongoing arterial road planning studies and sub-centre identification studies which identify the potential for redevelopment in the City. The report states that caution should be used when reviewing the potential of obsolete commercial or industrial sites for housing since these areas may not be suitable due to land use conflicts or lack of community facilities or municipal services. Generally, North York Council does not view universal prezoning for redevelopment as a desirable action for municipalities since it feels that the ability to make land use decisions and ensure public consultation should be retained at the local level.

North York Council supported the majority of the recommendations and asked that some should be modified or strengthened to better address the issues at hand. The report suggested that Metro identify the disincentives to rental residential development which exist; the extent of prezoning to be permited by area municipalities; the capacity of hard services for areas of redevelopment; and that all levels of government review legislation, regulations and programmes affecting the construction industry to ensure that all are effective and do not present unnecessary obstacles to desired forms of development or redevelopment.

CITY OF TORONTO

The response from the City of Toronto, prepared jointly by the Commissioner of Planning and Development and the Commissioner of Housing, was supplemented by comments from private organizations and individuals who responded to an additional circulation of the Metropolitan reports by the City of Toronto. The review and summary of the Background reports was brief and generally supportive. Toronto felt that the thrust of the recommendations was aimed primarily at encouraging suburban municipalities to follow the lead of the City of Toronto in encouraging the creation of additional housing through more intensive use of the housing stock as well as more intensive residential development, generally.

Recommendation No.6 of the Housing Intensification report which proposed softening of the Landlord and Tenant Act in relation to small owner/tenant occupied dwellings was not supported. Instead, Council adopted additional recommendations that requested the Province of Ontario to establish procedures to assist small landlords in any legal proceedings and to ensure that disputes arising from the legislation could be handled more efficiently. Another important recommendation was that the Minister of Municipal Affairs be requested to amend the Planning Act to require area municipalities to include affordable housing targets within their official plans in an attempt to meet the mixed housing needs of the population.

CITY OF SCARBOROUGH

Council's response in November, 1987 was that comments on the Background reports would be premature since it was currently debating whether or not to undertake a study on housing intensification. Scarborough Council has since decided to proceed with the study and has directed the consultants to include comments on the Background reports for its consideration.

CITY OF YORK

Council has delayed comment on the Background reports until completion of the Housing Strategy for the City of York presently being undertaken by consultants.

3.1.4 Analysis of Comments

The responses received from area municipalities, organizations and the public support in principle the findings and recommendations of both Background reports. Different opinions were expressed by various groups regarding implementation of an accessory apartment policy. Most respondents who expressed concerns also specified provisions, such as those listed below, under which they would support accessory apartments:

- no neighbourhood should be excluded from consideration for accessory apartments: distribution should be equitable and responsibility shared;
- the methods of implementation must be sensitive to local community needs and concerns;
- the policy should preferably relate to owner-occupied dwellings; and
- the implementation should be undertaken as part of a broader housing intensification strategy for the Metropolitan Toronto region as a whole.

3.2 Proposed Provincial Policy Statement on Housing

3.2.1 Background

A draft policy statement on housing was jointly released by the Municipal Affairs Minister John Eakins and Housing Minister Chaviva Hosek in August 1988 for circulation and comments by February 28, 1989. The statement outlined the Provincial policy and interest in housing issues as they relate to the land use planning process. It is anticipated that the final document will be formally approved by Cabinet in the spring of 1989. The detailed response by Metropolitan Toronto is included in this report as Appendix E.

3.2.2 Major Policy Thrusts of the Proposed Provincial Policy Statement

(1) Determining Need and Planning for Growth: expects an overall assessment of each municipality's projected growth and demand of land for housing within a regional context and requires policies that provide a minimum of ten year supply of designated lands in the Official Plan. Municipalities are also required to identify the types of housing that can be produced to meet the affordability requirements.

(2) Streamlining Approval Process: expects all planning authorities to reduce typical time frames for review to achieve the "shortest practical approval times for all housing applications".

(3) Variety and Mix of Housing: expects municipalities to plan for a variety and mix of housing types based not only on the needs of the population within a particular municipality but also on the population of the broader region (Census Metropolitan Area or equivalent).

(4) Affordable Housing Objective: expects at least 25 per cent. of total housing units resulting from new residential development and residential intensification, through conversion of non-residential structures, infill and redevelopment to be affordable housing. Each municipality is to determine how this objective will be implemented locally: on a site by site or area-wide basis.

(5) Housing Strategy: expects municipalities to identify oportunities and adopt a strategy to increase the supply of housing through better use of existing resources, buildings or serviced sites, to meet changing demographic trends and housing demands.

3.2.3 Implementation Requirements

These major thrusts of the policy statement are to be reflected in the official plans and zoning by-laws in Metropolitan Toronto within one year of the approval of the policy statement.

3.2.4 Metropolitan Response

The Metropolitan Toronto response to the proposed Provincial Policy Statement on Housing supports the establishment of a Provincial interest in housing matters. One of the main recommendations of the response is that the Province be requested to support a Metropolitan Toronto initiative for a broad concept of the future urban form of the Metropolitan Region to be developed in partnership with municipal government, other agencies, and the public. It is hoped that within this broad planning framework many of the policy thrusts of the statement can be effectively developed and implemented. The proposed statement neglects this important planning function in favor of delegating full responsibility of providing "affordable" housing to the municipalities through the mechanisms of the development control approval process. Metropolitan Toronto supports the adoption of regional housing targets which allow for a "variety and mix" of housing types, sizes and tenure throughout Metropolitan Toronto. The Metropolitan response anticipates that many of the objectives sought by the Provincial Government in their proposed statement will be implemented in Metropolitan Toronto through the processes of housing intensification, and also by the provision of additional funding and support to the non-profit sector by senior levels of government.

3.3 Metropolitan Population Targets

The Housing Intensification report analyzed the impacts of demographic trends within Metropolitan Toronto. Given continued declining unit occupancy rates and the decline in housing production over the last decade the report proposed a target of 209,000 additional units by the year 2011. This would have been sufficient only to maintain the Metropolitan population at about its present level of 2.2 million persons. Reconsideration of the real costs of continued in-commuting, as well as underutilization of infrastructure has lead to re-assessment of those housing figures.

The Economic Development and Planning Committee has recently adopted a staff report calling for a population target of 2.5 million by 2011. This requires provision of about 300,000 additional units by 2011 or approximately 14,000 units per year over the next 21 years. This is considerably above the previous 10 year average of 9,960 units. Attainment of this target will require considerable

effort on the part of municipalities senior levels of government and housing providers.

The following subsection indicates policy directions which Metropolitan Toronto should pursue. Chapters 4.0 and 5.0 will suggest implementation methods and programs to support those policy options.

3.4 The Challenge

From an Official Plan perspective:

- to adopt a target of providing 300,000 units by 2011;
- to deepen the Metropolitan commitment to provide housing serving low and moderate income households on a Fair Share basis across the municipality;
- to clearly indicate Metro's interests in housing intensification through infill, redevelopment and accessory units;
- to develop general criteria for intensification but provide flexibility for local implementation; and
- to provide Council with on-going monitoring of housing issues.

Through Metropolitan Action

- to ensure that services are available to serve the projected population;
- to assess the housing potential of surplus Metropolitan lands through the Land Management Committee; and
- to undertake studies of the potential for re-development along arterial roads.

In Conjunction with Area Municipalities

- to identify major redevelopment sites in the municipality;

- to develop guidelines for residential and mixed use redevelopment in various areas of Metro; and

- to develop programs and policies to assist in the implementation of an accessory apartment unit policy.

In Discussion with the Province

- to develop, in co-operation with the surrounding regional municipalities under the auspices of the Greater Toronto Area Co-ordinating Committee, a housing strategy for the region;

- to encourage the streamlining of grants or loans available to homeowners for provision of accessory apartments; a

- to encourage the provision of funds to area municipalities to undertake the surveys and studies necessary to amend their Official Plans and Zoning Bylaws to implement the aims of intensification.

In Discussion with the Federal Government

- to propose relief from income tax for a specified time period where new accessory units are provided in an owner-occupied dwelling.

4.0 METROPOLITAN APPROACH TO HOUSING

4.1 Introduction

There is a need and desire on the part of Metropolitan Toronto to respond effectively to the many pressing and complex housing issues facing the municipality. The central question is how to ensure that the policies currently in place and those proposed for adoption are effective in addressing the housing needs of the population, given the fact that the responsibilities to prepare zoning by-laws and regulate development rests primarily with the area municipalities.

The following policy options have been identified for consideration:

- Maintain present policies;
- Enforce a prescriptive policy stance; or
- Develop policies which allow for area municipal action, and to co-operatively develop programs to assist in implementation.

In this section, each policy option will be described and assessed according to its appropriateness and likely implications for Metropolitan Toronto.

4.2 Maintenance of Present Policies

Current Official Plan policies regarding housing intensification are permissive in nature and aim to encourage area municipalities to increase the supply of housing through:

a. infill housing;

b. mixed use development as may be appropriate in commercial centres and districts;

c. redevelopment or rehabilitation of blighted or obsolete structures;

d. redesignation of land uses which have become inappropriate;

e. attainment of desirable occupancy levels of existing dwellings; and

f. a periodic review of housing density policies and programs and housing development standards.

Through the adoption of these and related policy objectives, Metropolitan Toronto has expressed its interest in and support of residential policies that encourage significant increases to the housing stock in order to reach target population levels. The Plan further acknowledges that demographic trends will increase demand for smaller units with a greater variety of housing mix and types.

Although the Plan is comprehensive in scope, it lacks detail which would provide additional direction for the area municipalities in the preparation and review of their official plans and zoning by-laws as they relate to housing. More importantly, the present policies rely upon the initiatives of the area municipalities for definition of local need and implementation.

Overall, Metropolitan Toronto has maintained a supportive, but passive role in regard to the implementation of its current Official Plan policies which support housing intensification. The Plan assumes that primary responsibility for the planning and production of housing rests with the area municipalities, the private sector and senior levels of government, and consequently, does not promote the active participation of the Metropolitan Toronto Corporation itself in the pursuit of its housing objectives. The most notable exceptions are, however, the activities of the Metropolitan Toronto Housing Company Ltd. and the Metropolitan Toronto Housing Development Corporation.

The Plan has not been effective in directing area municipalities to address the anticipated housing shortage earlier in their planning efforts and in assisting in this process by providing active leadership at the regional level.

Implications of Maintaining the Present Policy Stance

1. Housing intensification, an important mechanism for increasing the supply of housing, may be delayed if area municipalities do not support and actively promote the concept through their policies, by-laws and programs;

2. Population will continue to decline in many neighbourhoods with accompanying loss of community vitality, inefficient use of Metro infrastructure and imbalance of demands between the surrounding regions and Metropolitan Toronto; and

3. The continued and increased pressures on governments to deal with the shortage of affordable housing units will be heightened by lack of coordination of policy and action at the regional level.

4.3 Detailed Metropolitan Policies with Prescriptive Implementation

Metropolitan Toronto has through the authority of the Municipality of Metropolitan Toronto Act, and the Planning Act, the power to adopt housing policies in the Official Plan to which all area municipal by-laws and housing statements must conform. The adoption of a Prescriptive policy stance would involve the preparation of explicit policy statements that would serve as directives to the area municipalities in the preparation of, and approval of amendments to, local official plans and by-laws.

Under this scenario, Metropolitan Toronto Council, using its statutory powers, could direct area municipalities to designate lands for redevelopment, infill, subdivision and conversion and adopt housing policies that permit various forms of intensification according to the planning criteria established in the Metropolitan Toronto Plan.

A prescriptive policy would necessitate a more intensive planning effort by Metropolitan Toronto to ensure that the policies of Council are adopted and acted upon consistently by the area municipalities. The main tasks would involve:

- development of detailed local planning criteria in consultation with the area municipalities, on a neighbourhood or municipality-wide basis for each housing intensification option: redevelopment, subdivision, infill and conversion;

- selection of priority intensification project types and locations throughout the region based upon the planning criteria developed in (1); and

- implementation of the necessary zoning changes utilizing the powers of the Metropolitan Toronto Act and the Planning Act.

Implications of Adopting a Prescriptive Policy Stance

1. alienation of the area municipalities and local interest groups could occur by imposition of a Metropolitan Toronto housing policy which may not adequately reflect local characteristics, interests or concerns. This action may initiate broader political debate as to the mandate, ability and right of Metropolitan Toronto to impose its will at the municipal/neighbourhood level of planning; and

2. an intensive local planning effort would necessitate extensive Metropolitan Toronto resources to develop planning criteria suitable for local adoption and to identify potential sites for intensification. The required staff and bugetary resources are not presently available to accomplish this task. A planning exercise of this nature would require the use of additional staff or planning consultants to perform these extra tasks.

4.4 Broad Metropolitan Policies with Co-operative Implementation

The basis of this policy stance is to foster co-operation between Metro and the area municipalities in order to achieve the housing objectives set out in the Metro Official Plan. Where a policy requires implementation by area municipalities, the policy would permit variation to accommodate local needs. In addition, Metropolitan Toronto would develop programs in co-operation with the area municipalities to assist in implementation and successful adoption of the thrust of this policy at the local level.

Specifically, the role of Metro would be:

1. to incorporate policies within the Official Plan which would:

   - define the Metropolitan interest in housing generally, and specifically, in the intensification of land for residential purposes;

   - renew and strengthen the role of Metro in the development of additional housing units within Metropolitan Toronto which are both appropriate and affordable to the majority of the population; and

   - describe the overall intent of Metro to ensure that the adopted policies are effective by supplementing planning activities to include a significant component of housing programs designed to assist in implementation and adaptation of the policies by the area municipalities.

2. to assist in the establishment of criteria for intensification to be implemented by area municipalities with regard for local area planning considerations;

3. to enter into a formal understanding with the area municipalities regarding implementation of policies at the local level. Metropolitan Toronto would initiate discussions with local representatives and planning staff to develop a mutually agreed-upon work program that is consistent with Metropolitan and local housing objectives. Progress reports would be prepared by Metro planning staff to inform Council on the activity and progress on a regular basis; and

4. to assist in the funding of programs designed to implement the proposed policies.

Implications of the Co-operative Approach

1. Success depends upon a high degree of mutual co-operation and trust among the various levels of government, interest groups and members of

the public to work together towards common goals. This level of co-operation will take time to develop and nuture; and

2. A flexible approach of this magnitude will require a consistent approach be maintained and supported by Metropolitan Council. This policy approach will require a more direct and efficient working relationship between the parties involved to develop effective local planning criteria, yet maintain the thrust of the objectives of the policy.

4.5 Conclusion

The current housing problems facing Metropolitan Toronto are complex and require a variety of initiatives in addition to the preparation of Official Plan policies. Increasingly, the need to ensure that Metropolitan housing goals and objectives are achieved will place emphasis on developing effective strategies for implementation. Maintaining the passive stance of the Plan will not adequately respond to the demand for additional housing units which are appropriate to the physical, social and financial needs of the population. For Metropolitan Toronto to continue in a passive role will not serve the needs of the Corporation or the region.

Conversely, the Prescriptive Policy stance in which Metropolitan Toronto would use its legislative powers to require local official plan conformity may hinder progress by alienating, rather than generating, local support and community acceptance for these initiatives. The negative reaction by municipalities across the province can be seen in many responses to the proposed Provincial Policy Statement on Housing. Little progress would be made by further restricting the ability of the area municipalities in the implementation of housing policies in ways which acknowledge local community needs and concerns.

Therefore it is recommended that Metropolitan Council support and adopt policies and programs that provide for a co-operative approach for implementation. In essence this approach means that although the Metropolitan Official Plan will clearly outline the interest and mandate of Metropolitan Toronto in housing issues, the policies adopted will allow for local planning criteria to be considered in the detailed discussions and negotiations regarding

local conformity to the Plan. However, if within a reasonable time period (ie one year) this approach is not successful, it may be necessary to adopt a prescriptive policy stance to ensure implementation of Metro's policies and programs.

The co-operative approach should be supported by specific program initiatives to assist area municipalities in fulfilling the Metropolitan objectives in housing. These program initiatives will be discussed further and elaborated upon in the following sections.

5.0 APPROACHES TO HOUSING POLICY IMPLEMENTATION

5.1 Introduction

Section 3.5 indicated the issues to which Metropolitan Official Plan policy should respond. The previous section indicated that this policy should provide a degree of flexibility for individual area municipal implementation and that Metro should institute a co-operative process to achieve these goals.

The following discussion indicates key program areas to be initiated under a Co-operative Approach.

5.2 Area Municipal Housing Targeting Program

Under an Area Municipal Housing Targeting Program, Metropolitan Toronto would seek ways to encourage housing activity in each of the area municipalities in order to meet the overall target of 300,000 additional housing units and to reach a population level of 2.5 million by 2011. In order to be successful and reach this goal, municipalities will need to: (1) consider the variety of options available to increase the supply of housing within their jurisdictions; and (2) adopt pro-active housing policies and programs which will provide incentive and support to the private and non-profit sectors, assist in the preservation and maintenance of the private rental stock, maximize opportunities for the construction of affordable housing and encourage the most efficient use of the existing housing stock and built form.

To provide focus and purpose to these activities, Metropolitan Toronto proposes to begin discussions with each area municipality to identify local opportunities to create additional housing and to reach agreement on realistic housing targets to help guide municipal activity to 2011. These targets would be established co-operatively and incorporated in the Official Plans of both Metropolitan Toronto and the area municipalities. The targets set out in Table 3 were developed by assessing characteristics of each municipality against a wide set of independent but not mutually exclusive criteria as follows:

1. Per Capita Share is based on an extrapolation of 1986 census population;

2. Total Land Area is the municipal share of housing units based on the land area of the municipality in proportion to Metropolitan Toronto;

3. Major Redevelopment Sites refers to the range of development potential on sites greater than 20 acres now in other uses, such as the Downsview Canadian Forces Base, York University, and the Railway Lands;

4. Metropolitan Centres and Rapid Transit Redevelopment is the potential range of units that could be built in Metropolitan Centres designated in the Official Plan and along the Sheppard and Eglinton rapid transit lines;

5. Population Loss Recapture 1976-1986 is the number of units needed to re-establish population levels in the 19 Metropolitan Toronto wards that experienced population declines between 1976 and 1986;

6. Redevelopment along Arterial Roads is an estimate of the number of units that could be built along the 700 plus kilometers of Metropolitan arterial roads under the residential intensification Main Street proposal;

7. Employment to Housing Ratio is an estimate of the number of units required to match expected employment gains to housing needs;

8. Current Proposals is the number of units currently under consideration by area municipal and Metropolitan Toronto Councils; and

9. Plan Review and Updates is the number of units that are currently being planned as part of the Official Plan reviews of the area municipalities.

These figures are based upon a synthesis of data from several sources as explained above and they are intended to serve as a basis for discussions with area municipalities.

Table 3: AREA MUNICIPAL HOUSING TARGETS

MUNICIPALITY	1989-2011
East York	12,000
Etobicoke	35,000
North York	75,000
Scarborough	60,000
Toronto	100,000
York	20,000
Total	302,000 units

5.3 Affordability

The proposed Provincial Policy Statement on Housing contains provisions that municipalities will amend their official plans to include policies which provide for a minimum of 25% affordable housing. Affordable housing is defined in the proposed Policy Statement as housing one half of which is affordable to households up to the 30th percentile of incomes and one half of which is affordable to those households up to the 60th percentile of incomes. For Metropolitan Toronto the following price and rent levels apply:

Household Income (30th Percentile)
$29,400

Affordable Price	Affordable Rent
$83,000	$740

Household Income (60th Percentile)
$52,700

Affordable Price	Affordable Rent
$148,500	$1,320

The Metropolitan Toronto response to the proposed Provincial Policy Statement on Housing (Appendix E) provides the broader context in which the following discussion is based.

Non-Profit Sector Providers:

In Metropolitan Toronto, the broadly based non-profit sector (municipal and private non-profit, cooperatives, public housing providers, etc) produced approximately 22% of the total housing production form 1984 to 1987. This type of housing activity is an important component of the housing market to address the needs of low to moderate income households within Metro since it is not possible to rely upon the private market to provide affordable housing under current market conditions. For those households with incomes up to the 30th percentile, the long term objective of Metro will be to provide as many units as possible through the non-profit sector. This initiative requires increased funding from the Provincial and Federal governments. Metro is active in this process through the activities of the Metropolitan Toronto Housing Company Ltd. and the management of the $10 million revolving fund for non-profit providers as interim financing for land acquisition.

Metropolitan Toronto wants to exceed the current levels of non-profit housing production and to meet or exceed a 25% standard under the increased annual housing production required to meet the target of an additional 300,000 units by 2011. This means that in order to meet the 25% minimum target that non-profit housing production will have to be substantially increased. These targets can be reached through an increase in housing allocations from the senior levels of governments and/or through special legislation to enable Metro to impose levies or exactions on large developments to provide the necessary funds.

Section 5.5 of this report provides further details of the proposed program activities to be initiated in this regard.

Private Sector Providers:

With regard to the development of housing by the private sector, it is felt that

the efforts of Metropolitan Toronto are most fruitfully applied towards increasing levels of housing supply. The primary objective is to seek ways to encourage rather than discourage the production of housing. Currently a municipality is not empowered by legislation to dictate the price of a unit to the developer other than by withholding development approval for a particular proposal. Even with the authority, the problem of "flipping" new units is administratively difficult and often ineffective. Finally, dictating the price of a housing unit either directly or indirectly does not help increase supply.

An alternate way of achieving affordable housing is to offer a housing density bonus of 25% or greater to entice the developer to provide an appropriate number of units. Extra units are created apparently at neither the developers' or the local municipalities' expense. Unfortunately, the broader public interest in establishing a reasonable limit on densities (either for reasons of servicing, character, height, traffic movement or design) is often sacrified. Bonusing is not recommended as a solution to the affordability problem.

The most practical and appropriate application of current municipal powers would be to require that a minimum percentage of small well-designed units be provided in proposals of projects greater than 8 units in order to match the type of supply that is needed by the changing demographic profile of Metropolitan Toronto. This proposal is outlined in Section 5.4.1. The affordability question is addressed to the extent that small well-designed units should be relatively less expensive than that which would apply without the standard. In this way the emphasis remains on those physical aspects of the housing development process that are rightfully and appropriately within the mandate and capabilities of the municipalities to regulate.

5.4 Density Increase

5.4.1 Redevelopment Options

Due to the shortage of available land in Metropolitan Toronto, it is anticipated that the majority of the required housing units will be created through the

redevelopment process. Metro will need to examine the present distribution and level of residential densities currently permitted in order to determine the most appropriate way to achieve the density increases necessary to achieve housing targets. However, the objectives of increased residential densities does not automatically mean that high rise development will be required throughout Metro to meet its housing targets. Rather the emphasis of the revised housing policies should be on seeking ways to create additional housing through the processes of infill, conversion and redevelopment at medium density levels. Medium density housing projects can offer opportunities for housing development at a higher quality and if properly planned, without disruption to the character of existing neighbourhoods.

Metropolitan Toronto has had two previous density policies:

1. The Official Plan adopted by Council in 1980 included a provision that subdivisions exceeding two hectares have a minimum density of 37 units per hectare (15 units/acre). The policy was rescinded in 1981 due to objections from the area municipalities that the lands being subdivided were remnant lands and overall community densities (given apartment zoning along arterial roads) tended to achieve the desired densities. Subsequently, planning staff made the assessment that the general policies of the Official Plan were sufficient to express the intent of Metropolitan Council to seek higher residential densities in subdivisions.

2. The Metropolitan Apartment Density Policy was adopted in 1967 at the request of the Ontario Municipal Board and was intended to assure that Metro services were available to serve high density redevelopment. The policy placed a ceiling on densities within geographic areas within Metropolitan Toronto. The policy tended to encourage densities up to the Metro provision in areas zoned for apartments. The policy was rescinded in 1980 on the basis that area municipalities had adequate policies in place related to the location and density of apartment development.

The Housing Intensification background report made the following recommendations in regard to residential redevelopment:

Recommendation 10:

The Metropolitan Plan should set out general criteria, indicating those types of areas most desirable for residential redevelopment from the Metropolitan perspective, including:

- obsolete commercial and industrial areas;
- low density areas along Metropolitan arterial roads;
- underdeveloped lands within mixed use nodes and centres; and
- sites within 650 metres to 750 metres of rapid transit stations.

Application of the criteria would be subject to area municipal determination of the appropriateness of such redevelopment in specific areas.

Recommendation 11:

To implement above item (10), area municipal official plans should set out specific criteria under which redevelopment for residential use would be supported in principle; and zoning by-laws should be amended to provide for the redevelopment of specific areas which meet those official plan criteria.

Recommendation 14:

Area municipal plans should provide for mixed use development, particularly along arterial roads and in Metropolitan and local centres.

Recommendation 15:

Both floor space index and unit per hectare density controls should be incorporated into area municipal zoning by-laws in order to encourage development of smaller rental units without precluding the larger units sought by the luxury or condominium markets.

It is proposed that the Metropolitan Official Plan reflect these policies generally, but that overall density guidelines for redevelopment be prepared by Metro in co-operation and consultation with the area municipalities. These guidelines would analyze and set out criteria for appropriate density ranges

based on such factors as proximity to arterial roads and transit (particularly rapid transit and underutilized street car routes), neighbourhood and community characteristics and site specific characteristics such as lot depth. Areas suitable for higher density redevelopment could include areas to the east and west of the downtown core; in designated Metropolitan Centres; under-utilized lands around subway stations, streetcar lines, GO stations and rail corridors; areas where the existing uses are clearly obsolete and/or uneconomic.

The density guidelines would also help give guidance to the private sector in applying a 25% requirement for small well-designed units. The objective of this policy is to do as much as the legislation allows a planning authority to do in requiring affordable units that might otherwise be larger and therefore more expensive. The density guidelines will give specific floor size, amenity and design standards for the building type and the overall density suitable for any site. For example, it is anticipated that the maximum unit size for a one bedroom apartment in a seniors project would be less than the maximum size for small well-designed single or semi-detached home.

In order to develop the guidelines it is proposed that a separate project be undertaken in consultation with area Municipalities and with Provincial and Federal Officials.

Staff will report further on more detailed terms of reference for this initiative.

5.4.2 The Main Street Program

Arterial roads will be a prime location for much of the higher density residential and mixed use development. In order to maintain the character of existing areas and not intrude into stable residential areas a proposal has been made to develop a moderate density form of housing and mixed use along these areas. It was presented by Councillor Richard Gilbert in Spring 1988 to the Special Committee on Housing Crisis and entitled "A Proposal to Redevelop the Main Streets of Toronto". The proposal recommends examining the redevelopment potential of properties along arterial roads to create more vibrant and attractive main streets, provide additional housing, organize utilities and improve the opportunities for parking along commercial strips. Metropolitan Toronto and the

City of Toronto recently approved the funding of a series of consultant studies of the economic feasibility as well as the local planning and design considerations inherent to the implementation of this concept. These studies will provide guidelines for area municipal implementation.

The Main Street Program will be an important component of the broader consultant study of density policy guidelines for Metropolitan Toronto since it offers great potential to create additional housing units with minimal disruption to the adjacent neighbourhoods. Initial estimates prepared by the City of Toronto indicate that a maximum of 80,000 housing units could be physically created through this form of residential intensification. However, an estimate of 40,000 units would perhaps be more realistic over the next 50 year lifetime of the housing stock, resulting in an expected increase of approximately 20,000 housing units by 2011. This proposal will be throughly examined by planning staff of the City of Toronto and consultants in order to develop methods to facilitate and encourage this form of redevelopment. Metropolitan Toronto has set aside $42,000.00 to this study.

In addition, Metropolitan Toronto has authorized a $50,000.00 study on the economic feasibility of the Main Street proposal subject to grant assistance from the Provincial government. This study would identify financial constraints and opportunities for this form of redevelopment. This aspect is of particular importance if the concept is to attract private sector implementation .

Based upon the results of these studies it will be the responsibility of Metropolitan Toronto and the area municipalities to ensure that the benefits of residential intensification along the main streets of Metropolitan Toronto are actively promoted and demonstrated to both local business and residential communities. Metropolitan Toronto must take an active role in identifying potential sites for redevelopment, ensuring the appropriate planning approvals are in place and then working in conjunction with other interested parties to get projects built.

5.4.3 Accessory Unit Policy

Accessory units are created through an addition or conversion of a portion of a dwelling such as second or third floor or basement for residential purposes. The

"Housing Intensification" report identified a theoretical potential of 39,000 new units which might be made available based upon study of the receptiveness of homeowners to this concept. This figure is consistent with an expected actual take-up rate of 5% to 10% of those homeowners to create approximately 23,000 - 45,000 accessory housing units throughout Metropolitan Toronto. This is a difficult issue for communities to respond to and come to terms with, because of the fear that the neighbourhood will undergo dramatic change that will detract from the quality of life that residents have enjoyed and fought to perserve for many years. Common apprehensions are density and form of development, parking and traffic flow, social values and community spirit. However pressures for change are now emerging from both within as well as outside the community. Parents grow concerned that their children may never be able to afford to live within the communities in which they grew up. Many older residents resist leaving their neighbourhood yet no longer need the space or are able to easily maintain the traditional family home. Rental vacancy rates are extremely low while average house prices are very high. A recent survey by the Toronto Star indicated that 68% of the respondents favoured the legalization of accessory apartments in Metro.

These pressures to create additional housing are not new, nor is the response. Due to changing social and economic circumstances, when demands for housing arose following World War II, many houses were modified to accommodate more than one household. The introduction of restrictive municipal zoning has hindered or prohibited the creation of accessory units, especially in newer single-family neighbourhoods. At present in Metropolitan Toronto there exists a myriad of regulations which confront and confuse most homeowners considering creating an accessory unit. The "Housing Intensification" background report provides a Schedule outlining the existing municipal zoning by-laws regarding conversions. In order to be eligible for Provincial funding, the accessory unit must be created through the building permit process. At present accessory units are prohibited in East York, Scarborough and most areas in Etobicoke and especially difficult to create legally in North York and York due to restrictive zoning regulations. Nevertheless, illegal conversions continue to exist, despite these regulations, due to the demand that exists for rental accomodation within Metropolitan Toronto.

The creation of accessory units within residential dwellings is a form of housing intensification which should be supported in principal across Metropolitan Toronto. Regardless of the intensity of emotion which surrounds this issue, there appears to be little substantiated evidence to suggest that accessory units should not become a universally permitted use subject to reasonable municipal standards of land use control. A positive and proactive policy regarding accessory units at the Metropolitan level would recognize the current resources in the existing housing stock to satisfy, in part, the demand for housing. This source of housing supply can be made available at relatively affordable prices and in the short term. It is also anticipated that through this process the legal status of these units can be rationalized to distinguish between those units which are deemed to be illegal because of previous municipal policies versus the more serious issue of dealing with those units which fail to meet the basic standards of health and safety.

In putting this policy forward in principal, however, it is proposed that Metropolitan Toronto recognize the important role of the area municipalities to ensure compatible development and to monitor the impacts of change on the local community. To be effective, accessory units should become a permitted use across Metropolitan Toronto subject to local planning criteria or standards which may be adopted by the area municipalities in a manner that is most effective in introducing change to current by-laws. These planning criteria could include the following provisions:

- the maximum number of additional units per residential dwelling and/or minimum unit size;

- requirements for on-site and/or off-site parking; and

- restrictions concerning the degree of change permitted to the external appearance of the structure such as control over building envelopes, design considerations, additions;

In applying local standards, it is proposed that the overall test of the regulations be that they not preclude the potential for accessory units in the majority of

ground related units in a community; in other words, that the regulations not be used to prevent accessory units in principal and in an arbitrary way. To this end it is proposed that area municipalities not exclude communities within their jurisdictions from permitting accessory units because of the following criteria unless there can be some demonstrated planning rationale:

- age of dwelling;
- location;
- dwelling type or residential land use category; and
- lot size or frontage.

It is important to recognize that sensitivities exist regarding accessory units and it will be necessary to ensure that community concerns are adequately responded to during the initial introduction and implementation of the policy. As a component of the Metropolitan housing policy, the area municipalities will be asked to indicate ways in which they are able to respond to providing accessory units. In these ensuing discussions, Metropolitan Toronto would be interested in discussing implementation strategies with the area municipalities including methods of introducing the concept, providing discussion and visual material for community outreach programs, and co-operating in the development of appropriate standards and mechanisms for the creation of these units, if requested.

5.5 Assistance to the Non-Profit Sector

The non-profit sector will become an increasingly important source of new rental and ownership housing units within Metropolitan Toronto as the supply of rental housing stock declines and the average price of houses continue to rise beyond the means of the majority of Metropolitan Toronto households. As an important part of the Plan, a target of 25% of all housing production for the non-profit sector ought to be set and agreed upon by the Provincial, Federal and area municipal governments. This target can only be achieved through increased allocations, and/or levies or exactions.

Under this program Metropolitan would amend the Official Plan to delete references in the Plan which assign exclusive responsibility for particular aspects of the housing market needlessly, such as in Section 7-E which specifies: "The

major responsibility for providing housing for moderate income households, however, rests with the private sector." The policies of the Official Plan should be revised to strengthen Metropolitan's support to the non-profit producers of housing in the overall encouragement of their efforts, financial support and technical assistance to help speed these projects through the regulatory process.

The non-profit sector is faced with many constraints such as rapidly escalating land values, lack of available sites, insufficient funds to purchase land and a long and often times confrontational development approval process. These factors have together slowed the pace of construction of non-profit units within Metropolitan Toronto and have forced some groups to abandon projects. To help combat this trend Metropolitan Toronto would request Provincial funding to establish an educational/advocacy program within the Planning Department to assist non-profit organizations in seeking approval for their housing projects. Development of a program to help resolve community conflicts that face housing providers may be advisable.

It is proposed that a project be undertaken to detail more specifically ways in which Metro will pursue this program in conjunction with the Metropolitan Toronto Housing Company Ltd. and the Province.

5.6 Regional Housing Strategy

In the housing Background reports, the increased number of cross boundary commuter trips and regional imbalances in the demand for municipal services were identified as a result of the shortage of affordable housing within Metropolitan Toronto. These and other impacts of the housing market extend beyond municipal boundaries and must be addressed at the regional and provincial levels. The policies and activities of one jurisdiction often have significant influence beyond municipal boundaries. A municipality that has adopted exclusionary zoning regulations to favour low-density single family housing may add significant pressure upon neighbouring municipalities willing to accept a broader range of housing types and forms.

Metropolitan Toronto, in its response to the proposed Provincial Policy Statement on Housing, discussed the need for a regional planning framework to

direct future patterns of growth and development in the Metropolitan Region. Ideally, it is within a broader planning framework that more detailed housing policies would be formulated in conjunction with other planning considerations. Achieving the objectives of the proposed provincial policy may be delayed or frustrated by lack of co-operation in regard to the implementation of the policy. The effectiveness of the policy could be weakened by the unwillingness of some municipalities to modify their goals for growth and development within their jurisdicions to accommodate housing for low and moderate income levels.

An intergovernmental liasion program should be established in the recognition that housing is a basic need of all citizens and the variety of housing issues raised in this report must be addressed in a co-ordinated effort to achieve the most meaningful results.

Towards this objective Metro would propose the following activities:

- consultations with Provincial housing representatives and other regional municipalities towards the development of a regional housing strategy for the Greater Toronto Area generally, and in particular for the provision of rental and social housing. This may involve Metro and the surrounding regions in demonstration projects;

- assist local municipalities in securing research funds for local housing intensification studies or other related research; and

- make representation to the Provincial and Federal government for desired changes to present housing policies and legislation together with the regional and area municipalities

5.7 The Principle of Fair Share in Regard to Low and Moderate Income Housing

Metropolitan Toronto Council adopted a Fair Share Policy in 1978 to ensure that each area municipality would accept its share of low-income housing units. The concept of Fair Share is based upon the premise that the proportion of assisted low-income units in each municipality should be equal to the municipality's share of total households. Following Council adoption of the recommendations of the

Metro Assisted Housing Study in 1984, the policy was refined so that each municipality would have the same share of senior and non-senior rent-geared-to income units as it had of senior and non-senior households. Through adoption of the Study, Metro Council also adopted the following targets for low-income housing:

METROPOLITAN TORONTO ASSISTED HOUSING STUDY

1984 TARGETS FOR ALLOCATION OF R.G.I. UNITS*

		1984-1998 R.G.I. 15 Year Increase	1984-1988 5 Year Target	Average Annual Increase
Toronto	Senior	2,060	685	137
	Non-Senior	6,205	2,070	413
	Total	8,265		
East York	Senior	1,745	580	116
	Non-Senior	1,865	620	124
	Total	3,610		
York	Senior	70	25	5
	Non-Senior	1,905	635	127
	Total	1,975		
Etobicoke	Senior	2,835	945	189
	Non-Senior	3,540	1,180	236
	Total	6,375		
North York	Senior	3,235	1,080	216
	Non-Senior	3,965	1,320	264
	Total	7,200		
Scarborough	Senior	(945)		
	Non-Senior	3,520	1,175	235
	Total	3,520		
Metro	Senior	9,000	3,000**	600
	Non-Senior	21,000	7,000	1,400
	Total	30,000	10,000	2,000

* The table above indicates the proposed total 15 year allocation, the five year target and the average annual rates of production distributed by family and seniors units to each municipality based on projected 1998 households.

** Municipal total exceeds the Metropolitan total because Scarborough already has more senior units than required to achieve Fair Share in 15 years, but this "deficit" does not affect Fair Share for other municipalities. The 15 year increase is the number of future R.G.I. units targetted which, added to existing R.G.I. units, will bear the same ratio in each group to total estimated households in each municipality in 1998.

The Housing Trends and Housing Intensification Background reports review the progress made since the adoption of the Fair Share policy and accompanying R.G.I. unit targets in 1984. The target of 2000 assisted housing units on an annual basis has not been met for several years. Inequities in distribution of assisted housing units between area municipalities have not changed substantially since 1984 with the Cities of Scarborough and Toronto retaining more than their share of social and R.G.I. housing units.

It is timely for Metro to undertake a revision of the targets originally adopted in 1984 since the intervening years have been especially difficult for low to moderate income families and individuals looking for affordable accommodation within Metropolitan Toronto.

Metro should endeavour to uphold the principle of Fair Share. However, in order to keep the principle relevent and meaningful, Metro should undertake to update the Fair Share housing targets with the input of the area municipalities. These revised targets should be broadened to include housing which is affordable to moderate income households as defined in the proposed Provincial Policy Statement on Housing. This would include households with income levels up to the 60th percentile of the population for the Toronto region.

5.8 CONCLUSION

This report has suggested a number of initiatives to be undertaken by Metropolitan and other levels of government and proposes a co-operative approach to the detailing of policy initiatives and implementation.

The following recommendations reflect the proposals of the report.

6.0 RECOMMENDATIONS

1. That Metropolitan Council undertake the following initiatives:

   a) Authorize the Economic Development and Planning Committee to enter into discussions with area municipalities to develop appropriate housing production targets for 2011, with the intent that these be incorporated into Metropolitan and area municipal Official Plans within the next twelve month period;

   b) Develop, in conjunction with area municipalities, appropriate Official Plan guidelines for the broad distribution of these targets;

   c) Ensure that adequate services are available to serve the anticipated additional units;

   d) Implement the directive that the Land Management Committee assess the housing potential of surplus Metropolitan lands; and

   e) Support studies by area municipalities on the potential for redevelopment along arterial roads.

2. That subsequent to recommendation 1., Metropolitan Council adopt amendments to the housing policies of the Official Plan which reflect the following principles:

   a) Establish a minimum population target for Metropolitan Toronto of 2.5 million persons by 2011, and adopt a supporting unit production target of 300,000 units. The policy would set out area municipal housing targets and policies to help them achieve these goals;

   b) Establish that a minimum of 25% of the 300,000 housing units be allocated to the non-profit sector to be distributed across Metro on the basis of Fair Share, taking into account recommendation 5 a) below, land cost and availability, redevelopment opportunities and other appropriate planning criteria;

c) Establish that a minimum of 25% of private market residential development 8 units and over within Metropolitan Toronto be small, well-designed units. The specific criteria for the size and design standards to be defined in the proposed density guidelines;

d) Indicate Council's intent to achieve the additional units required through a program of residential intensification including redevelopment, infill, and accessory units in locations and at densities suitable to the diversity of communities across Metropolitan Toronto;

e) In the case of redevelopment, the policy would indicate Council's intent to guide development to areas served by transportation facilities such as:

- within designated Metropolitan Centres and other mixed use nodes
- within a specified distance of rapid transit and existing and potential transit stations along rail corridors
- along under-utilized street car routes and arterial roads
- in areas east and west of the downtown core
- in areas where studies indicate existing non-residential uses are obsolete and/or uneconomic;

The policy will also recognize the role of the area municipalities in ensuring that the development is in keeping with the character of their communities;

f) The redevelopment policy would also indicate Council's intent to adopt density guidelines to support Metropolitan Toronto's housing objectives, taking into account the particular planning and design considerations of any given site. Development of the guidelines would be undertaken in consultation with area municipalities; and

g) In the case of accessory units the policy would indicate those elements of broad Metropolitan interest in applying the concept. The

policy would be developed in cooperation with the area municipalities recognizing their role in developing strategies for involving the communities and applying local standards.

3. That Metropolitan Council direct the appropriate Metropolitan Officials to:

   a) Prepare terms of reference for a study of Metropolitan Density Guidelines for redevelopment within Metropolitan Toronto;

   b) Develop studies that will identify locations suitable for redevelopment along rail, road and transit corridors; and

   c) Bring forward terms of reference for programs to assist:

      - area municipalities in community outreach programs related to the development of policies for accessory units
      - the non-profit sector in dealing with the development approval process for their projects.

4. a) That Metropolitan Toronto and the surrounding regional municipalities under the auspices of the Greater Toronto Area Co-ordinating Committee co-operate in the development of a housing strategy for the region;

   b) That Metropolitan Toronto request the Province to require the surrounding Regions to adopt a target of a minimum of 25% non-profit housing units; and

   c) That Metropolitan Toronto request the Province to require that all new private market residential developments eight units or over in the Regions surrounding Metropolitan Toronto contain a minimum of 25% small, well-designed housing units (80 square metres or less) at gross densities in excess of 35 units per hectare. In the event that the Province does not comply with this request, Metropolitan Toronto will request circulation of all residential development applications

involving official plan amendments and/or zoning by-laws and will consider objecting to proposals which do not provide these housing units. This action is proposed by Metropolitan Toronto to stress the importance of providing an appropriate variety and mix of housing types in the regions, recognizing that it will be necessary for each municipality to meet the objectives of the proposed Provincial Policy Statement on Housing.

5. That Metropolitan staff undertake discussions with Provincial and Federal officials:

   a) To establish appropriate funding commitments or legislative powers that will make possible the target of 25% of all housing production for the non-profit sector ie 75,000 units over 21 years.

   b) To streamline the process of providing grants or loans to homeowners for provision of accessory apartments; and

   c) To encourage the provision of Provincial funds to area municipalities to undertake the surveys and studies necessary to amend their Official Plans and Zoning Bylaws to implement the aims of intensification.

   d) To request Provincial funding to establish an educational/advocacy program within the Planning Department to assist non-profit organizations in dealing with the development approval process for their housing projects.

APPENDIX "A"

OFFICIAL PLAN FOR THE URBAN STRUCTURE:

SECTION 3 - CONCEPT FOR THE URBAN STRUCTURE (3.F. - HOUSING)

SECTION 7 - HOUSING AND RESIDENTIAL DEVELOPMENT

section 3

CONCEPT FOR THE URBAN STRUCTURE

F. HOUSING

1. The infrastructure and other public facilities in *Metropolitan Toronto* can support a population in excess of 2,500,000 persons. Therefore, *Council* shall support revisions to *Area Municipal* Official Plans and zoning to provide for a significant increase in the number of additional dwelling units which may be constructed. This would be achieved through general increase in allowable densities in subdivisions, infill housing, the development of higher density residential projects in designated *centres* and along *rapid transit* lines and *surface transit* routes subject to section 7.A.1.c.

2. *Council's* direct involvement in the production of new housing will be restricted to the provision of low and moderate income housing through the housing agencies of the *Corporation* and the fair distribution of assisted housing throughout the *Planning Area*.

section 7

HOUSING AND RESIDENTIAL DEVELOPMENT

A. GENERAL OBJECTIVES

1. *Council* shall encourage, promote and adopt policies and actions which aim to provide adequate, suitable and affordable housing for the anticipated population.

In considering such policies and actions, it is *Council's* intent:

a. to promote efficient development of the diminishing supply of vacant residential lands;

b. to encourage the development of housing forms which are designed to conserve energy;

c. to maintain the existing stock of sound housing in neighbourhood settings;

d. to encourage new residential development to locate near employment activities and transportation facilities at appropriate densities;

e. to have regard for the intent and capability of the *Corporation* to provide those services for which it is responsible;

f. to support *Area Municipal* development policies which are consistent with this *Plan;* and,

g. to promote policies which are aimed at keeping housing costs within the means of a vast majority of households.

2. As a general objective of housing policy, *Council* aims to ensure that all households have adequate shelter at reasonable costs. Furthermore, *Council* shall support and develop policies which help to reduce the cost of housing, both for those who purchase and those who rent. *Council* recognizes that the most direct contribution and responsibility for market housing rests with the private sector (through development activity), *Area Municipalities* (through their planning process), and senior governments (through various programs and policies).

3. The *Corporation's* role and responsibilities in matters of housing and residential development generally comprises:

a. the broad distribution of population and residential development;

b. housing research;

c. the provision of assisted housing; and,

d. financial participation in municipally initiated urban renewal or improvement projects designed to correct deficiencies in municipal services and encourage housing rehabilitation in low-income residential neighbourhoods; and which are also financially supported by the Provincial and Federal government(s).

B. THE BROAD DISTRIBUTION OF POPULATION AND RESIDENTIAL DEVELOPMENT

1. In order to maintain a population which will fully utilize public services, facilities and infrastructure, it will be necessary to ensure that the housing stock be increased significantly in the *planning area.*

2. The changing population of *Metropolitan Toronto* requires special sensitivity to the distribution, quan-

tity and mix of various dwelling types. This results from characteristics of age structure, household and family size, non-family households and household income. Therefore, *Council* shall generally support and encourage policies that respond favourably to the need for:

a. major increases in the amount of housing suitable for senior citizens;

b. significant increases of rental accommodation;

c. a greater proportion of smaller sized units;

d. lower priced housing; and,

e. variety and mix of dwelling types (e.g. detached, row, townhouse, apartment).

3. *Area Municipalities* shall designate lands for residential development. Such designations shall be supported by *Council* in its consideration of *Area Municipal* Official Plan Amendments, zoning amendments, subdivision and condominium proposals, provided that such designations:

a. follow sound planning principles;

b. adequately consider environmental impact and, in particular, be shown as in compliance with the provincial policies for new residential development affected by noise from airports and noise from provincial highways, as amended from time to time, and *23

c. are consistent with *Council's* intent and ability to provide reasonable levels of *Metropolitan* services and services of other *Metropolitan* agencies or boards.

Furthermore, it is the intent of *Council* to support increases to the residential stock by encouraging appropriate residential development in commercial areas, especially in mixed use developments.

4. *Council* shall encourage and support *Area Municipal* policies and programs which aim to increase the supply of housing by:

a. infill housing;

b. mixed use development as may be appropriate in commercial centres and districts;

c. redevelopment or rehabilitation of blighted or obsolete structures,

d. redesignation of land uses which have become inappropriate;

e. attainment of desirable occupancy levels of existing dwellings; and,

f. a periodic review of housing density policies and programs and housing development standards.

5. (Deleted).

6. In the assignment of building and population densities to areas and sites, *Area Municipalities* shall have regard for the capacity of *Metropolitan* services. Such assignments of population and building density should particularly aim to:

a. utilize lands efficiently;

b. integrate appropriate residential development with designated *Metropolitan Centres* and other commercial centres; and,

c. relate densities of residential development to the levels of transportation services.

In determination of site density, the preceding aims should be tempered by the conditions of a given site and the level of local services and amenities.

7. (Deleted).

8. In order to assist *Council* and the *Area Municipalities* in matters pertaining to the density of multiple dwellings (including apartments), *Council*, in consultation with *Area Municipalities*, will develop residential density policies reflecting changing building form and transportation accessibility.

C. HOUSING RESEARCH

The Metropolitan Toronto Planning Department, in consultation with appropriate agencies of the *Area Municipalities* the Province of Ontario, the Federal Government and surrounding Regional Municipalities, shall annually report to *Council* its assessment of the housing market.

D. ASSISTED LOW-INCOME HOUSING

1. Within the *Planning Area*, *Council* may provide housing for *low-income households*.

2. *Council*, in consultation with the *Area Municipalities*, shall establish and adopt, on an annual basis, a five year production target for *low-income assisted housing for Metropolitan Toronto*.

The target should reflect the capabilities of the *Corporation* and other agencies to provide assisted housing, having regard for projected need, the availability of suitable sites and financing.

Council, in consultation with the *Area Municipalities*, shall allocate an assisted housing production target to each *Area Municipality* on the basis of the principle of *fair-share*. The *fair-share* principle means that each *Area Municipality* should eventually have the same ratio of low-income assisted households to its total households.

3. The *Corporation* may acquire, hold, develop and dispose of land for *housing projects;* acquisition may include existing buildings as well as sites for new development.

4. *Council*, through its Departments and agencies, shall acquire, construct, operate and manage *low-income assisted housing* projects.

5. *Council* recognizes that any *Area Municipality* may choose to take a more direct role in the provision of *low-income assisted housing* through a non-profit housing company. *Council* will support these initiatives.

E. MODERATE INCOME HOUSING

Council recognizes that primary planning responsibility for the provision of housing for moderate income households rests with the *Area Municipalities*, but the *Corporation*:

a. may provide assisted moderate income housing through its agencies and may acquire, construct, operate and manage such housing,

b. may support the efforts of *Area Municipalities* and community-based non-profit groups in the production of family accommodation, insofar as the objectives of such groups are consistent with objectives of the *Corporation* and the *Area Municipality;*

c. may support the efforts of the private sector to build lower cost housing as a component of a residential development, insofar as proposals for such residential development are in compliance with *Metropolitan* interests and objectives; and,

d. may assist *Area Municipalities* in the establishment of targets for the production of moderate income housing when so requested by an *Area Municipal* Council.

The major responsibility for providing housing for moderate income households, however, rests with the private sector.

F. GROUP HOMES

Metropolitan Council having adopted a policy on the provision of *group homes* in *Metropolitan Toronto*, shall ensure that *group homes* are recognized as a permitted use in all residential areas.

(NOTE: Above Section 7.F, "Group Homes" is the subject of Proposed Amendment No. 3, which is attached to this document.)

APPENDIX "B"

DEFINITION OF TERMS

APPENDIX "B"

DEFINITION OF TERMS

AFFORDABLE refers to accommodation where the total shelter costs do not exceed 30% of gross annual household income.

CONVERSION refers to the process of increasing the number of households that can be accommodated in a grade-related dwelling with or without physical alterations or additions. This can be accomplished through the conversion of a dwelling unit to contain additional households in rooms, flats or self-contained units or through the construction of an addition to a grade-related dwelling. In this report, conversion also refers to the alteration of an existing non-residential building for residential purposes. These residential units are also referred to as accessory units throughout the text.

DECONVERSION refers to the reduction in the number of housing units in formally multiple-unit properties. This trend commonly occurs in areas undergoing gentrification when higher income owners purchase housing which once housed several smaller households and convert the property to single occupancy.

FAIRSHARE refers to the principle by which each area municipality is allocated a proportion of social housing units in relation to each municipality's share of total households. It was originally adopted by Metropolitan Toronto Council in 1978 to ensure that each municipality would accept its share of low-income units. Following the adoption of the recommendations of the Metro Assisted Housing Study, the fair share policy was refined so that each municipality would have the same share of senior and non-senior rent-geared-to-income units as it had of senior and non-senior households.

HOUSING INTENSIFICATION refers to the more efficient use of land and the existing housing stock to increase the number of housing units within a community through the processes of infill, conversion, subdivision and redevelopment.

INFILL refers to the construction of small scale new housing within existing residential areas on sites less than 2.0 hectares (5 acres), using vacant or underutilized land in a form which is physically integrated into the neighbourhood and includes:

(1) building on parcels of vacant land;

(2) building additional dwellings on lots which already contain housing;

(3) replacement of existing ground related buildings with residential structures (four stories or less) in a manner compatible with surrounding development.

REDEVELOPMENT refers to the construction of new residential units (in residential or mixed use developments) to replace existing non-residential land uses (e.g., commercial, industrial, institutional) or to replace low rise residential development with large scale, higher density projects. It also includes the building of new multiple residential units in vacant or near vacant sites in commercial or industrial areas.

SUBDIVISION refers to development of vacant land greater than 2.0 hectares (5 acres) in size, for which a plan of residential subdivision has been submitted.

APPENDIX "C"

CIRCULATION LISTING OF BACKGROUND REPORTS

APPENDIX "C"

CIRCULATION LISTING OF BACKGROUND REPORTS

Approximately 116 full background reports and 906 summaries were distributed to the following community representatives:

Borough of East York

Board of Education - 1 Full Report
Libraries - 1 Full Report
Planning Department - 3 Full Reports
Ratepayers/Residents/Tenants Associations - 5 Summaries

City of Etobicoke

Board of Education - 1 Full Report
Business Associations - 7 Summaries
Community Associations - 2 Summaries
Community Service Agencies - 1 Summary
Condominium Corporations - 56 Summaries
Libraries - 1 Full Report
10 Summaries

City of North York

Board of Education - 3 Full Reports
Community Associations - 22 Summaries
Community Service Agencies - 2 Summaries
Condominium Corporations - 111 Summaries
Libraries - 18 Summaries
Metropolitan Toronto Affiliations - 1 Full Report
Newspapers - 2 Full Reports
Planning Department - 3 Full Reports
Private Companies - 1 Full Report
Ratepayers/Residents/Tenants Associations - 45 Summaries
University Research Groups - 1 Full Report

City of Toronto

Board of Education - 1 Full Report
Business Associations - 46 Summaries
City Hall Media - 23 Full Reports
Community Associations - 84 Summaries
Community Service Agencies - 31 Summaries
Condominium Corporations - 2 Summaries
Libraries - 9 Full Reports
36 Summaries
Planning Department - 3 Full Reports
Private Companies - 5 Full Reports
Provincial Government - 2 Full Reports
Public Interest Groups - 15 Summaries
Ratepayers/Residents/Tenants Associations - 197 Summaries
University Research Groups - 2 Full Reports
Other Associations - 23 Summaries

City of Scarborough

Aldermen - 1 Full Report
Board of Education - 1 Full Report
Business Associaitons - 2 Summaries
Community Associations - 71 Summaries
Community Service Agencies - 4 Summaries
Libraries - 1 Full Report
17 Summaries
Newspapers - 4 Full Reports
1 Summary
Planning Department - 3 Full Reports
Public Interest Groups - 1 Full Report
Ratepayers/Residents/Tenants Associations - 10 Summaries

City of York

Board of Education - 1 Full Report
Business Associations - 4 Summaries
Community Associations - 2 Summaries
Libraries - 1 Full Report
1 Summary
Planning Department - 3 Full Reports
Ratepayers/Residents/Tenants Associations - 20 Summaries

Outside Metropolitan Toronto Boundaries

Libraries - 1 Full Report
Planning Departments - 16 Full Reports

In total, approximately 1,022 full reports and summaries were distributed.

APPENDIX "D"

AREA MUNICIPAL RESPONSES TO THE BACKGROUND REPORTS

APPENDIX "D"

AREA MUNICIPAL RESPONSES TO THE BACKGROUND REPORTS

Comments and recommendations received from each area municipal Council in response to the Housing Trends and Housing Intensification Background reports are listed below. These Council resolutions indicate a variety of responses to these reports through:

- adoption and/or amendment of recommendations;
- providing additional recommendations for Metro to respond to; or
- deferring of comments pending the completion of local studies.

Each area municipal Council has responded as follows:

BOROUGH OF EAST YORK

Council approved the following recommendations on June 6, 1988:

"(1) that the January 21, 1988 report of the commissioner of Planning and Development be forwarded to Metropolitan Toronto;

(2) that the Municipality of Metropolitan Toronto be advised of East York Council's concerns with respect to housing issues regarding the lack of authority to quickly deal with illegal conversions of buildings to multi-occupancy uses and recommend that Metropolitan Toronto support the development of legislation that will assist in methods of dealing with violations by:

(a) seeking authority to enter dwellings where it appears that a zoning violation exists;

(b) establishing meaningful penalties to discourage zoning infractions; and

(c) broadening zoning authority to require that the municipality can prescribe the relationship between occupants and the property owner, (i.e. resident landlords)."

CITY OF ETOBICOKE

Council adopted the following recommendations on February 8, 1988:

1. That Metropolitan Toronto be advised that Etobicoke supports the following recommendations:

   1, 2, 3, 4, 6 and 7 of the Housing Trends report and,

   1, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14 and 15 of the Housing Intensification report.

CITY OF NORTH YORK

Council adopted the following recommendations on March 21, 1988:

Housing Trends Report:

Recommendations 1, 2, 3, 4, and 6 are supported.

Comments on Recommendation 7:

The recommendation should be strengthened to call upon the Province to ensure that surrounding regions provide for a full range of housing types and tenure, and to assume their fair share of assisted housing. Effective Provincial leadership and direction is needed.

Housing Intensification Report:

The following recommendations should be supported:

Recommendations Nos. 1, 2, 3, 5, 8, 9, 10, 12, 13 and 14.

The following recommendations about government assistance should be referred for futher consideration, pending a review of all programmes, the establishment of effectiveness criteria, and the identification and removal or revision of programmes that are not cost effective, otherwise effective, contradictory with other regulations or programmes, or that provide unwarranted obstacles for desired development or redevelopment:

Recommendations Nos. 4, 6 and 7

Additional Comments:

Recommendation 11 should be rewritten to allow municipalities to choose aspects for prezoning, and to allow them to retain requirements for rezoning where warranted or desirable from the municipal perspective.

Additional Recommendations to Metro:

1. The issue of the shortfall in production of private rental residential development warrants further, broader consideration by Metro and the Province.

2. Metro and the Province should further investigate and identify discentives to rental residential development created, perhaps inadverently, by government programmes, registration and legislation.

3. It may be reasonable for Metro, together with local public works departments, to investigate the issue of hard service capacity actually available, and that Metro take the results of the investigation into consideration before finalizing its policy.

4. A study be done by North York staff into reducing lot frontage requirements to reflect existing situations, developing criteria to ensure proper "fit" of infill intensification, and identify development capacity and standards from underutilized landscaped lands on large scale apartment sites (deleted by Council).

5. Metro should take into account that not all obsolete commercial or industrial areas are suited for residential redevelopment.

6. Metro's plan should not preempt the ability of a local municipality to decide whether or not, and to what extent, prezoning will occur.

7. Metro and the Provincial and Federal governments should review legislation, regulation and programmes affecting the construction

industry, to ensure they are effective, cost effective and that obstacles are not accidentially placed in the way of desired development or redevelopment.

CITY OF TORONTO

On September 6 and 9, 1988, City Council amended and adopted the following recommendations of Clause No. 11 of Executive Committee Report No. 31 entitled, "Metropolitan Toronto Planning Reports Housing Trends: 1976-1986 and Housing Intensification".

1. That Recommendation No. 6 of the Housing Intensification report be deleted.

2. That, as recommended by the Commissioners of Planning and Development and Housing, Recommendation No. 7 of the Housing Trends report be amended to include the City of Toronto, together with Metropolitan Toronto and the surrounding regional municipalities, as one of the municipalities to be consulted by the Provincial government.

3. That City Council endorse the recommendations of the report (April 20, 1988) from the Commissioners of Planning and Development and Housing, as amended.

4. That the Minister of Municipal Affairs be requested to expedite amendments to the Planning Act which would require area municipalities to establish affordable housing targets within their Official Plans in an attempt to meet the mixed housing needs.

Additional recommendations adopted by City Council on September 6 and 9, 1988:

1. That the Province of Ontario be requested to establish a housing court in which matters before the Landlord and Tenant Act can be dealt with more expeditiously; and

2. That the Province of Ontario take the necessary steps to create a more effective clinic for small landlords to ensure that they have access to the law and legal assistance to pursue their rights.

CITY OF SCARBOROUGH

Council decided to include recommendations for Scarborough Council's comments on the Metropolitan Review Reports in the Housing Intensification Study to be prepared for the City of Scarborough by a consultant group headed by Berridge, Lewinberg, Greenberg.

CITY OF YORK

Council has delayed comment on the Housing Trends and Housing Intensification reports following completion of the Housing Strategy for the City of York by consultant group Warren Sorensen Inc. and Clayton Research Associates.

APPENDIX "E"

METROPOLITAN TORONTO RESPONSE TO PROPOSED PROVINCIAL POLICY STATEMENT ON HOUSING

Clause embodied in Report No. 3 of The Community Services and Housing Committee, adopted, as amended, by the Council of The Municipality of Metropolitan Toronto at its meeting held on March 1, 1989.

7

METROPOLITAN TORONTO'S RESPONSE TO PROPOSED PROVINCIAL POLICY STATEMENT ON HOUSING.

The Community Services and Housing Committee recommends the adoption of recommendations Nos. (1) to (6) inclusive and recommendation No. 9 contained in the following joint report (February 2, 1989) from the Commissioner of Community Services and the Commissioner of Planning.

The Committee further recommends the establishment of a Special Joint Committee of the Community Services and Housing Committee and the Economic Development and Planning Committee for the purpose of developing terms of reference for a comprehensive Metropolitan Toronto housing policy, in consultation with appropriate individuals; that recommendations Nos. (7) and (8) of the Commissioner of Community Services and the Commissioner of Planning be referred to such Special Joint Committee for consideration; and that the Province of Ontario be advised accordingly.

The Community Services and Housing Committee further recommends that the aforementioned Special Joint Committee be requested to also consider consumer protection legislation and price control measures in its efforts to control the price of a housing unit.

Recommendations:

It is recommended that:

(1) as a general comment, Metropolitan Toronto indicate its support for a Provincial policy statement on housing as an initial step towards a regional planning framework;

(2) the Province of Ontario be requested to support a Metropolitan Toronto initiative for a broad concept of the future urban form of the Metropolitan Region in partnership with municipal government, other agencies, and the public;

(3) the Province of Ontario be requested to undertake, in partnership with municipalities, a study of the public costs of providing for new growth on the urban periphery compared to redeveloping already serviced land in a variety of settings throughout the Metropolitan Region;

(4) the policy statement include a 5-year target for housing in the Metropolitan Region and specific targets for each upper-tier municipality;

(5) Council direct the Planning Department to develop a set of timing targets for the review of all types of applications and report further;

(6) the statement give priority to density policies and housing forms compatible with transit and the delivery of other services;

(7) Metropolitan Toronto adopt a minimum target of 25 per cent. of all new residential development for non-profit housing production across the municipality;

(8) efforts to control the price of a unit through the Planning Act be reassessed in relation to other legislative means of providing affordable housing such as requiring a minimum of 25 per cent. of all new housing projects be small, well-designed units; and

(9) this report be forwarded to the Ministry of Municipal Affairs, Ministry of Housing, the Provincial Cabinet and Members of Provincial Parliament representing Metropolitan Toronto for their response.

Background:

A draft policy statement on housing was jointly released by the Municipal Affairs Minister John Eakins and Housing Minister Chaviva Hosek on August 23, 1988. The statement outlines the Provincial policy and interest in housing issues as they relate to the land use planning process. The Planning Act, 1983 provides the legislative basis for the Province to issue formal policy statements on matters of land use planning. Once approved by Cabinet, the Council of every municipality, local board, Provincial Ministry, and public agency "shall have regard to" policy statements in carrying out their planning duties and responsibilities.

The proposed statement has been widely circulated to municipalities, the general public and interest groups for comments by February 28, 1989. Following this stage of consultation, the statement may be revised to reflect the comments received. It is anticipated that the final document will be forwarded to the Cabinet for formal approval in the spring of 1989.

The Metropolitan Toronto response to the proposed policy statement has been prepared jointly by the Metropolitan Community Services and Planning Departments and is attached as Appendix I. It is recommended that the attached report be sent to the Province so that Cabinet can consider Metropolitan Toronto's position on this matter.

Summary of the Draft Policy Statement on Housing

(A) Major Policy Thrusts:

(1) Determining Need and Planning for Growth: expects an overall assessment of each municipality's projected growth and demand of land for housing within a regional context and requires policies that provide a minimum of ten year supply of designated lands in the Official Plan. Municipalities are also required to identify the types of housing that can be produced to meet the affordability requirements.

(2) Streamlining Approval Process: expects all planning authorities to reduce typical time frames for review to achieve the "shortest practical approval times for all housing applications".

(3) Variety and Mix of Housing: expects municipalities to plan for a variety and mix of housing types based not only on the needs of the population within a particular municipality but also on the population of the broader region (Census Metropolitan Area or equivalent).

(4) Affordable Housing Objective: expects at least 25 per cent. of total housing units resulting from new residential development and residential intensification through conversion of non-residential structures, infill and redevelopment to be affordable housing. Each municipality is to determine how this objective will be implemented locally: on a site by site or area-wide basis.

(5) Housing Strategy: expects municipalities to identify opportunities and adopt a strategy to increase the supply of housing through better use of existing resources, buildings or serviced sites, to meet changing demographic trends and housing demands.

(B) Implementation:

These major thrusts of the policy statement are to be reflected in the Official Plans and zoning by-laws in Metropolitan Toronto within one year of the approval of the policy statement.

Comments:

The release of a Provincial Policy Statement at the present time illustrates the urgent demand and need for co-ordination on the part of all levels of government to effectively address this issue.

The proposed statement is a strong indication that the Government of Ontario recognizes that planning policies and by-laws should more positively reflect the urgent need for affordable housing.

Although the objectives of the proposed statement are supportable, the Provincial housing policy should be part of a broad concept for the Metropolitan Region. Within this, each regional and local municipality can allocate its resources effectively to meet its housing targets established in consultation with Provincial authorities. Developing such a strategy will require a cooperative, negotiated approach by the upper-tier municipalities, local municipalities, other agencies and the public with Provincial support.

The production of non-profit housing units in Metropolitan Toronto is close to the overall 25 per cent. target for affordable housing. Metropolitan Toronto cannot support, on a site by site basis, the proposed requirement that at least 25 per cent. of all new development be designated as affordable housing. Although the objective of creating more opportunities for affordable housing must be sought whenever possible, the impact of this requirement, imposed on a site by site basis will be to further discourage private investment in residential construction. The emphasis of this policy should be on developing common standards for residential development such as maximum lot sizes, density criteria, mix and variety of housing types within all residential communities that will ensure that smaller and less costly forms of housing are built. The policy is silent upon some key questions regarding how and to whom these "affordable" units will be offered for lease or purchase, and more importantly, if the municipality can be assured that the units will remain affordable given the pressures of market demand. In addition, the 25 per cent. allocation of affordable housing units does not include any units created through homesharing, or the creation of accessory apartments in existing residential structures.

Conclusion:

If this policy statement on housing is to be effective, it must be developed as part of an overall planning framework for the Metropolitan Region. The lack of a broader plan or concept for development in the Region is hindering the co-ordination and resolution of inter-regional planning issues such as housing, transportation and waste management which require the involvement of all levels of government to resolve.

In the interim, Metropolitan Toronto supports the release of a Provincial policy statement on housing, and is prepared to establish housing targets, help streamline the planning process and enact policies to give priority to small, well designed units that are compatible with transit and the delivery of other services. Metropolitan Toronto supports the objective of establishing targets for the creation of affordable housing by all local municipalities. However, the application of the 25 per cent. formula to control private market housing prices is flawed and should be re-evaluated given the likely negative long term impacts of this requirement on the housing development industry. The current proposed policy statement is misdirected in its emphasis on controlling the price of units as the prime implementation tool of municipalities directly involved in the regulation of land use in Ontario.

The statement could be strengthened by providing guidance to municipalities by specifying minimum acceptable levels of "variety and mix" that must be achieved within a given time frame. In particular, it should present target percentages of total residential land to be designated in local official plans for medium density developments. Thus the emphasis remains on those physical aspects of the housing development process that are rightfully and appropriately within the mandate and capabilities of the municipalities to regulate.

APPENDIX I

METROPOLITAN TORONTO RESPONSE TO THE PROPOSED POLICY STATEMENT ON HOUSING

Background:

On August 23, 1988, the Minister of Housing, the Honorable Chaviva Hosek, and the Minister of Municipal Affairs, the Honorable John Eakins, announced a proposed provincial policy statement on housing, distributed it for public review and invited comments on or before February 28th, 1989. The Province has also released a November 9, 1988, guideline to explain and assist in implementing the draft statement. This proposed statement is part of a series of initiatives by the Ministry of Housing and the Ministry of Municipal Affairs including a commitment to allocate 30,000 new non-profit units over a three year period, proposed changes to time frames for zoning by-laws in an amendment to the Planning Act and a housing first policy on government lands.

The proposed Provincial policy statement on housing was prepared under Section 3 of The Planning Act which requires the Minister of Municipal Affairs to consult with various parties deemed to have an interest in the proposed statement. Once approved by Cabinet, the Council of every municipality, every local board, commission or agency "shall have regard to" policy statements. The Planning Act also provides the Minister of Municipal Affairs with the

statutory authority to request municipalities to adopt amendments to Official Plans where a matter such as housing is adversely affected by the Official Plan. Where a Council refuses, the Minister may make the amendment.

Summary of the Proposed Policy Statement on Housing
(See Appendix II for a full text):

- the statement recognizes the importance of housing to our economic and social well-being;

- it defines affordable housing as housing that is affordable to households of low and moderate incomes (low incomes defined to be the first 30 per cent. of all households earning up to $26,500.00 in the Metropolitan Region; moderate incomes, the next 30 per cent. of all households earning up to $47,500.00; or as the guideline states, any non-profit housing developed with Provincial or Federal assistance);

- the objectives and the principles address the supply of housing (not the demand) through streamlining the planning process, mandating a full range of housing types and sizes, increasing the supply of land for housing, making better use of our existing stock and infrastructure and requiring affordable housing in new development.

- Major Policy Thrusts:

  (a) Determining Need and Planning for Growth: expects an overall assessment of each municipality's projected growth and demand for land for housing within a regional context and requires policies that provide a minimum of ten years serviced residential lands in the Official Plan. The policy statement also expects municipalities to identify the types of housing that can be produced to meet the affordability (price) requirements.

  (b) Streamlining: expects all planning authorities to reduce typical time frames for review to achieve the "shortest practical approval times for all housing applications".

  (c) Variety and Mix: expects variety and mix (undefined) in communities.

  (d) Affordable Housing Objective: expects at least 25 per cent. of total new housing development to be priced to meet the affordability definition (12.5 per cent. for low income, 12.5 per cent. for moderate income households).

- These major thrusts of the policy statement are to be reflected in Official Plans and zoning by-laws in the Metropolitan Region within one year of the release of the policy statement.

General Comments:

The release of a Provincial policy statement on housing at the present time illustrates the urgent demand and need for co-ordination on the part of all levels of government to effectively address this issue. Until now, there has not been a statement on the housing policy of the Province nor any concept or broad plan for the Metropolitan Toronto Region to give clear direction to those involved in planning and developing housing. Dissolving the Metropolitan Planning Board in 1975 undermined municipal efforts to build consensus and to

co-ordinate planning at the regional level. The difficulties with issues such as housing, waste management, transportation have become acute and have spilled over the current boundaries between Metropolitan Toronto and into the four regions without an appropriate planning mechanism at the municipal level. These deficiencies and the factors described below have created a serious shortage of affordable housing particularly for those looking for a rental unit or their first home.

Currently the pressure on housing costs comes from the strong demand (depressed in the early 1980's by high interest rates) of the large numbers of the baby boom generation. Demographic and social factors are contributing to declining household sizes which means more units are required to house our existing population. Competition for land during the recent strong economy, increases in household incomes, immigration of people from within and outside Canada and investment dollars have amplified the demand. Many Metropolitan Toronto residents have considerably more space than they had previously. With higher prices for housing, other Metropolitan residents are unable to find affordable housing.

On the supply side, Metropolitan Toronto has very little vacant land left. Redevelopment, adding accessory apartments and infill will be the ways that the majority of new housing units are produced since the private sector has essentially ceased producing new rental housing projects.

The non-profit sector, including the projects of the Metropolitan Toronto Housing Company and Cityhome, has become the main producer of rental housing. Most non-profit providers would like to increase production and bring more rental projects on the market. However, non-profit sector efforts are constrained by several factors such as: the cost of finding land and obtaining approvals; the MUP's (maximum unit price) ceilings, and the annual budget and unit allocations established by the senior governments.

With respect to ownership housing, many moderate income households cannot afford to buy a home in Metropolitan Toronto. Household incomes have not kept pace with the rise in prices for housing over the last three years despite relatively stable interest rates. Most of the new ownership units have been single family detached units in the four regional municipalities around Metro and condominium units primarily in Metropolitan Toronto. Using the affordability definition in the proposed policy statement, moderate income households (up to 60 per cent. of the population) can only afford to buy a $135,500.00 unit and the private market is no longer producing units at this price.

In the Metropolitan Region, there is a geographic imbalance in the number of low and moderate housing that exists and is being developed. Metropolitan Toronto, for a variety of reasons, provides a disproportionately high share of low and moderate housing relative to the other regional municipalities. In Metropolitan Toronto there are over 48,000 assisted family units provided while in the four regions only 7,400 units in total are provided.[1] Compounding the imbalance in the Metropolitan Region is the inefficient and expensive consumption of land in new residential subdivisions in the surrounding regions that is almost completely auto-oriented and tends to be expensive homes on large lots, costly to service and inefficient for transit.

These demand and supply factors have been analyzed as part of the Metropolitan Plan Review. Two background reports have been published, Housing Trends 1976-1986 and Housing Intensification. Open houses for the public to discuss the issues were organized in 1987 and 1988 in each area municipality in Metropolitan Toronto. Comments have been reviewed, analyzed and included in the upcoming policy report on housing. The housing intensification policy report will include recommendations on actions Metropolitan Toronto can take in responding to the housing needs of its residents. The proposed provincial statement has been taken into account in the formulation of the policy report.

1. Housing Trends 1976-1986, Metropolitan Planning Department, 1987.

The release of the provincial policy statement is a strong indication in itself that the Government of Ontario recognizes that current planning policies and by- laws of most municipalities should respond more positively to the need to provide affordable housing. The statement explicitly acknowledges that many factors, not just planning policies, contribute to an adequate supply of housing. Nevertheless, variety, mix, density and forms of housing can be regulated under the Planning Act and there are wide variations in the planning policies and by-laws across the Metropolitan Region. Therefore, the objective of introducing a provincial policy statement on housing to establish the provincial interest and standards is now a necessary approach pending the establishment of a longer term housing strategy for the Metropolitan Region.

> Recommendation 1: That as a general comment, Metropolitan Toronto indicate its support for a provincial policy statement on housing as an initial step towards a regional planning framework.

Specific Comments:

(a) Determining Needs and Planning for Growth

The proposed policy statement expects municipalities to ensure that sufficient land is available to meet expected population growth on a regional basis and designate in the Official Plan a supply of residential land for a minimum of 10 years. This is a reasonable requirement. The current Official Plan for the Urban Structure: Metropolitan Toronto establishes an anticipated population of 2.5 million by the year 2001 for Metropolitan Toronto (2,192,000 1986 census) and establishes a mechanism for the designation of residential areas in the Official Plans of the Area Municipalities.

The statement also expects "targets" (not necessarily in the Official Plan) for a two year supply of a combination of draft approved and registered lots. In the Metropolitan Toronto context, it would be more appropriate to develop overall housing targets for Metropolitan Toronto with policies in the Official Plan to ensure that municipal targets are adopted by the area municipalities through an agreement process.

In a regional context, it is important that each regional municipality designate enough residential land to meet the expected population growth, but also that policies be in place to ensure that the lands will provide a high component of affordable housing. Currently, without Official Plans in place in Peel or York, there is no assurance that the regional imbalance of low and moderate housing can be redressed, particularly when there is no overall target established by the Province in the statement for the Region as a whole as to the overall population projection or the amount of affordable units that will be needed in each regional municipality and Metropolitan Toronto.

To make the Metropolitan Toronto targets work, there should be a more explicit recognition in the proposed statement on the directions and choices of the future urban form for the Region. The statement does list the various ways housing can occur, either through the continuation of developing vacant agricultural lands on the periphery of the Region or through making better use of serviced lands already suitable for housing. However, the statement does not set overall direction as to how much growth should be new development on the periphery at high public cost in terms of major roads, education, hard servicing and social services, or the alternate option of redevelopment and infill on lands already suitable for housing.

This deficiency in the proposed statement is the latest example of why there should be a concept or broad plan for the pattern of growth in the Metropolitan Region. A credible case can be made for either a population of 2 million in Metropolitan Toronto by 2011 or 2.5 million out of a total regional population of 5 million (depending on the planning actions of various levels of government). Some proponents suggest this extra 500,000 persons should be housed by promoting development on the periphery of the current urban envelope so long as it is subsidized by Provincial spending on watermains, sewers, major roads and social services. Other external costs would include further congestion, new and costly transit, and the unnecessary loss of agricultural land.

The alternative to this is to prepare a concept or broad plan, not just for housing, that embraces and gives general direction on where development and redevelopment ought to occur. This option would emphasize and give priority to making efficient use of already serviced land and Metropolitan Toronto is prepared to support and is to take leadership on this course of action.

The Province has already taken initial steps in this regard by creating the Greater Toronto Co-ordinating Committee, staffing a Greater Toronto Area office and undertaking more comprehensive reviews of spending within ministries, for example, the Ministry of Transportation's Transportation Forum and Transit Review and the Treasurer's Green Paper on Financing Growth Related Infrastructure Needs. However, integration of these individual efforts is needed. This proposed housing policy statement will have transportation, employment, social and environmental impacts and ought to be part of an overall concept.

Developing such a strategy will require a cooperative, negotiated approach by the upper-tier municipalities, local municipalities, other agencies and the public with Provincial support.

Recommendation 2: That the Province of Ontario be requested to support a Metropolitan Toronto initiative for a broad concept for the future urban form of the Metropolitan Region in partnership with municipal government, other agencies, and the public.

As part of this exercise, an analysis of the public costs of development on raw unserviced land in the periphery compared to the public costs of redevelopment in areas already serviced is required. A broad concept for growth would make the planning of major facilities and services within Metropolitan Toronto and its constituent municipalities more efficient and effective, not only in housing but also transportation, environmental, social and employment matters.

Recommendation 3: That the Province of Ontario be requested to undertake, in partnership with municipalities, a study of the public costs of providing for new growth on the urban periphery compared to redeveloping already serviced land in a variety of settings throughout the Metropolitan Region.

In the interim, while this study and a broad concept are being developed, the proposed statement should contain an overall 5 year target for housing in the Metropolitan Region and include specific targets for each upper-tier municipality. Metropolitan Toronto is willing and committed to taking efforts to meet its targets and will be specifying the Metropolitan position on this in the upcoming housing intensification policy report and Official Plan amendment.

Recommendation 4: That the policy statement include a 5 year target for housing in the Metropolitan Region and specific targets for each upper-tier municipality.

(b) Streamlining the Planning Process:

The proposed policy statement makes several references to the need to speed up or streamline the development review process. One specific principle of the statement is that "Reductions in the cost of housing can be affected by taking specific initiatives in the land use approvals process." The policy requires municipalities to reduce typical time frames for review to achieve the shortest practical times for all housing applications.

There is no suggestion from the guidelines that the three principle elements of the review of development applications (a) notice to affected groups and landowners (b) circulation to provincial agencies and (c) time for negotiating agreements, be eliminated. Therefore, as long as a developer insists on applying for a change to a municipality's policy or regulations, there will be a necessary period of time before development can proceed. However, within the process, certain gains can be made by reducing the time periods on notice as proposed in the Planning Act Amendment and by improving circulation response times in certain provincial agencies.

The objectives and policies of the proposed statement for achieving the shortest possible review times is supportable not only for housing but for all types of applications. The proposed policy calls for target times in the Official Plan for each stage of the review process, the pre-application, staff review, and the public review stage, as well as an overall target for approval times. In conceptual terms, this is an understandable method but the great variety of situations found in practice mitigate against targets in the Official Plan itself. Although the current reporting times in the Planning Department are expeditious and efficient, Metropolitan Toronto targets for various applications could be adopted as published guidelines useful both to the public, the development industry and various interest groups.

Recommendation 5: That Council direct the Planning Department to develop a set of timing targets for the review of all types of applications and report further.

(c) Standards:

The proposed policy statement incorporates various standards; some are quite specific and others lack direction. The best example of the latter is the various references to "variety and mix of housing in the community in keeping with regional demands and the impact of local market factors." All the municipalities in Metropolitan Toronto provide for a variety and mix of housing in their Official Plans. However, there is much less variety and mix outside Metropolitan Toronto.

The following tables describe the current housing stock in Metropolitan Toronto and the Four Regions:

(A)

Dwelling Units by Type[1]

	Metro Toronto		Four Regions	
	No.	Per cent.	No.	Per Cent.
single detached	261,129	31.6	321,416	67.7
individual attached	94,740	11.5	33,260	7.0
multiples	96,465	11.7	11,425	2.4
condominiums	78,386	9.5	47,179	9.9
apartments	294,170	35.7	61,830	13.0
TOTAL	824,890	100.0	475,110	100.0

Source: C.M.H.C
(1) Condominium component estimated from a previous Provincial survey.

(B)

Dwelling Units by Tenure

	Metro Toronto		Four Regions	
	No.	Per Cent.	No.	Per Cent.
owner-occupied	414,270	50.6	359,095	73.6
rented	403,855	49.4	128,435	26.4
TOTAL	818,125	100.0	487,530	100.0

Source: Statistics Canada 1986 Census

One can see that the variety and tenure of the housing stock in Metropolitan Toronto is much more balanced than it is in the surrounding regional municipalities. The overwhelming numbers of single detached units in the four regional municipalities is not consistent with the objectives of the statement nor is this pattern supportive of transit and the delivery of other services.

The policy statement should give priority to density and housing forms that are compatible with transit and should discourage large lot single detached subdivision developments that can only be served by automobile. The guidelines should include standards and examples of well designed, efficient adaptable and affordable housing in excess of 35 units per hectare. The four regions have much more to accomplish to reach a variety and mix of housing comparable to Metropolitan Toronto, but even within Metropolitan Toronto, there are gains that can be made in providing more suitable housing particularly along arterial roads.

Recommendation 6: That the statement give priority to density policies and housing forms compatible with transit and the delivery of other services.

The proposed policy statement encourages the provision of homesharing for all single housekeeping units and Metropolitan Toronto is on record as supporting this concept.[2] The statement also requires the designation of areas where accessory apartments will be permitted as of right in keeping with the physical potential of the existing stock to accommodate additional units. Accessory apartments were discussed under the

heading "Conversions" in the Metropolitan Plan Review's report "Housing Intensification" and is one of the subjects covered in the upcoming housing policy report. It should be noted though, that the proposed statement does not recognize or count the units created as accessory apartments as part of the overall 25 per cent. formula discussed below. Accessory apartments are a major source of new private market rental units that can be readily provided and ought to be counted if the 25 per cent. formula is approved.

The most controversial standard in the proposed statement is that at least 25 per cent. of all new housing projects (exclusive of accessory apartments) be affordable; that is priced in such a manner that low and moderate income households within the Metropolitan Region can afford without exceeding 30% of their gross household incomes. There is no explanation in the guideline or substantive evidence to show why a minimum of 25 per cent. was chosen as the Provincial standard. However, some standard has to be applied if municipalities are to be given some direction. In Metropolitan Toronto, the non-profit sector has been producing approximately 22 per cent. of the total housing completions annually (1984-1987 average). This rate of production is close to the 25 per cent. standard in an overall sense. Metropolitan Toronto wants to continue and even exceed this rate and this will require the funding and support of senior levels of government.

> 2. Clause No. 13, Report No. 13 of The Community Services and Housing Committee, as amended, approved by Metropolitan Council October 14, 1988.

The 25 per cent. standard cannot be as directly applied to the private sector. First, there is some question over whether there is the legislative base in the Planning Act to dictate the price of a unit. Secondly, the 25 per cent. standard appears to be based on the assumption that excess and speculative profits are being made in the housing market and that part of the units could be offered by the development industry at affordable prices so as to ensure that a development approval can be obtained for the rest. Several implications of this position can be identified:

(1) in the short term, it will force the private sector to make housing sites available to the non-profit sector and housing companies;

(2) in the long term, it will add further disincentives to the development industry to invest in housing at all especially if economic conditions change;

(3) it will invite additional density proposals to increase the overall profitability of a site but at the expense of other planning considerations;

(4) it will tend to encourage smaller units with fewer amenities;

(5) it will create enforcement problems in preventing new owners from "flipping" the affordable units.

The difficulty with the use of the minimum 25 per cent. standard is that while some of the implications are potentially positive, many are negative. Metropolitan Toronto supports the concept that housing sites should be more readily available to the non-profit sector and that significant portions of all new private sector housing projects should be composed of smaller, well designed units. These objectives can be directly achieved through government action by making MUP's reflect the high land

acquisition costs and by requiring a minimum percentage of smaller units through the policy statement as a condition of planning approvals. The creation of units of a relatively smaller size and moderate standards will continue to offer lower than average priced accommodation for the life of the projects.

The effort to dictate the price of a unit through the land use regulation process is flawed. Consumer protection legislation, or price control measures would be necessary if this was to be pursued. Metropolitan Toronto does not recommend this course of action because it will further discourage private investment in housing and will inevitably lead to further reduction in the number of housing projects in Metropolitan Toronto.

Recommendation 7: That Metropolitan Toronto adopt a minimum target of at least 25 per cent. of all new residential development for non-profit housing production across the municipality.

Recommendation 8: That efforts to control the price of a unit through the Planning Act be reassessed in relation to other legislative means of providing affordable housing such as requiring a minimum of 25 per cent. of all new housing projects be small, well-designed units.

Conclusion:

If this policy statement on housing is to be effective, it must be developed as part of an overall planning framework for the Metropolitan Region. The lack of a broader plan or concept for development in the Region is hindering the co- ordination and resolution of inter-regional planning issues such as housing, transportation and waste management which require the involvement of all levels of government to resolve.

In the interim, Metropolitan Toronto supports the release of a Provincial policy statement on housing, and is prepared to establish housing targets, help streamline the planning process and enact policies to give priority to small, well designed units that are compatible with transit and the delivery of other services. Metropolitan Toronto supports the objective of establishing targets for the creation of affordable housing by all local municipalities. However, the application of the 25 per cent. formula to control private market housing prices is flawed and should be re-evaluated given the likely negative long term impacts of this requirement on the housing development industry. The current proposed policy statement is misdirected in its emphasis on controlling the price of units as the prime implementation tool of municipalities directly involved in the regulation of land use in Ontario.

The statement could be strengthened by providing guidance to municipalities by specifying minimum acceptable levels of "variety and mix" that must be achieved within a given time frame. In particular, it should present target percentages of total residential land to be designated in local official plans for medium density developments. Thus the emphasis remains on those physical aspects of the housing development process that are rightfully and appropriately within the mandate and capabilities of the municipalities to regulate.

The Committee reports for the information of Council having had before it a communication (February 14, 1989) from the Metropolitan Toronto Clerk, advising that the Economic Development and Planning Committee on February 13, 1989, deferred consideration of the aforementioned joint report to its next regular meeting of the Committee scheduled to be held on February 27, 1989, and directed that the Community Services and Housing Committee be requested to submit its comments thereon to the Economic Development and Planning Committee.

(A copy of the policy statement entitled "Housing", a proposed policy statement of the Government of Ontario issued for public review, referred to above, has been forwarded to each Member of Council and a copy thereof is also on file in the office of the Metropolitan Toronto Clerk.)

(The Metropolitan Council on March 1, 1989, had before it during consideration of the foregoing Clause the following communication (February 28, 1989) from the Metropolitan Toronto Clerk:

The Economic Development and Planning Committee on February 27, 1989, had before it a joint report (February 2, 1989) from the Commissioner of Community Services and the Deputy Commissioner of Planning recommending that:

(1) as a general comment, Metropolitan Toronto indicate its support for a Provincial policy statement on housing as an initial step towards a regional planning framework;

(2) the Province of Ontario be requested to support a Metropolitan Toronto initiative for a broad concept of the future urban form of the Metropolitan Region in partnership with municipal government, other agencies, and the public;

(3) the Province of Ontario be requested to undertake, in partnership with municipalities, a study of the public costs of providing for new growth on the urban periphery compared to redeveloping already serviced land in a variety of settings throughout the Metropolitan Region;

(4) the policy statement include a 5-year target for housing in the Metropolitan Region and specific targets for each upper-tier municipality;

(5) Council direct the Planning Department to develop a set of timing targets for the review of all types of applications and report further;

(6) the statement give priority to density policies and housing forms compatible with transit and the delivery of other services;

(7) Metropolitan Toronto adopt a minimum target of 25 per cent. of all new residential development for non-profit housing production across the municipality;

(8) efforts to control the price of a unit through the Planning Act be reassessed in relation to other legislative means of providing affordable housing such as requiring that a minimum of 25 per cent. of all new housing projects be small, well-designed units; and

(9) this report be forwarded to the Ministry of Municipal Affairs, Ministry of Housing, the Provincial Cabinet and Members of Provincial Parliament representing Metropolitan Toronto for their response.

The Committee also had before it a communication (February 15, 1989) from the Metropolitan Toronto Clerk advising that the Community Services and Housing Committee at its meeting held on February 14, 1989, recommended to Council the adoption of the foregoing recommendations Nos. (1) to (6) inclusive and recommendation No. 9; further recommended the establishment of a Special Joint Committee of the Community Services and Housing Committee and the Economic Development and Planning Committee for the purpose of developing terms of reference for a comprehensive Metropolitan Toronto housing policy, in consultation with appropriate individuals; that recommendations Nos. (7) and (8) be referred to such Special Joint Committee for consideration; that the Province of Ontario be advised accordingly; and further advising that the Committee recommended to Council that the aforementioned Special Joint Committee be requested to also consider consumer protection legislation and price control measures in its efforts to control the price of a housing unit.

The Committee noted that Metropolitan Council will be considering the Community Services and Housing Committee's recommendations with respect to this matter at its meeting on March 1, 1989, and directed that Council be advised that the Economic Development and Planning Committee concurs in the recommendations of the Community Services and Housing Committee, subject to recommendation No. (4) contained in the joint report from the Commissioner of Community Services and the Deputy Commissioner of Planning being amended by inserting after the word "housing" the words "and population" so that such recommendation shall read as follows:

"(4) the policy statement include a 5-year target for housing and population in the Metropolitan Region and specific targets for each upper-tier municipality."

The Metropolitan Council also had before it during consideration of the foregoing Clause a communication (February 16, 1989) from the President, Association of Municipalities of Ontario, forwarding for review, the Association's preliminary response to the draft Housing Policy Statement jointly issued by the Ministry of Municipal Affairs and the Ministry of Housing.

The Metropolitan Council also had before it during consideration of the foregoing Clause a communication (February 21, 1989) from the Borough Clerk of East York forwarding Item No. 5 of Report No. 4 of The Economic Development and Planning Committee regarding the affordable housing initiatives proposed by the Ministry of Municipal Affairs.

(A copy of the aforementioned communications (February 16, 1989) from the President, Association of Municipalities of Ontario, and (February 21, 1989) from the Borough Clerk of East York, and attachments referred to therein, were forwarded to all Members of Council, and a copy thereof is also on file in the office of the Metropolitan Toronto Clerk.)

The Metropolitan Council amended the foregoing Clause by:

(i) striking out the first recommendation of the Community Services and Housing Committee and adopting in lieu thereof Recommendations Nos. (1) to (9) embodied in the joint report of the Commissioner of Community Services and Commissioner of Planning, subject to the following:

(a) Recommendation No. (4) being amended by adding thereto the words "and population" after the words "5-year target for housing";

(b) Recommendation No. (7) being amended by adding thereto the words "for 1989" after the words "25 per cent."; and

(c) Recommendation No. (8) being amended by adding thereto the words "(for 1989)" after the words "such as requiring";

(ii) adding to the second recommendation of the Community Services and Housing Committee the words "within the context of the Greater Toronto Region" after the words "Metropolitan Toronto housing policy"; and

(iii) adding thereto the following:

"It is further recommended:

(a) that the Commissioner of Planning and the Director of Economic Development be requested to submit a report to the Special Joint Committee of the Community Services and Housing Committee and the Economic Development and Planning Committee regarding the implications of the housing crisis on the economic well-being of Metropolitan Toronto; and

(b) that the Minister of Housing, Province of Ontario, be requested to develop a formula for affordable housing recognizing the varying needs for such housing within different municipalities.")